

TABLE OF CONTENTS

Table of Contents	i
Financing Plan	
Policy Items.....	
County Budget Summary	
Preface.....	
Administrative/Executive Group Summary	
Board of Supervisors	1-1-1
Legislation	1-1-6
Clerk of the Board.....	1-2-1
County Administrative Office.....	1-3-1
Litigation.....	1-3-6
Joint Powers Leases.....	1-3-10
Federal Forest Reserve	1-3-15
Master Settlement Agreement	1-3-19
Medical Center Lease Payment Fund.....	1-3-23
County Counsel.....	1-4-1
Human Resources Summary	1-5-1
Human Resources	1-5-1
Employee Health and Wellness	1-5-10
Unemployment Insurance.....	1-5-14
Commuter Services	1-5-17
Employee Benefits and Services	1-5-21
Risk Management	1-5-25
Insurance Programs.....	1-5-32
Information Services Summary.....	1-6-1
Application Development	1-6-1
Emerging Technologies	1-6-7
Computer Operations	1-6-14
Network Services.....	1-6-20
Local Agency Formation Commission	1-7-1
County Schools.....	1-8-1
Superintendent of Schools.....	1-9-1
Capital Improvements.....	2-1-1
Internal Services Group Summary	
Architecture and Engineering.....	3-1-1
Facilities Management Summary	3-2-1
Custodial Division	3-2-1
Grounds Division	3-2-7
Home Repair Program.....	3-2-14
Maintenance Division	3-2-20
Administration.....	3-2-27
Utilities	3-2-31
Fleet Management.....	3-3-1
Garage/Warehouse.....	3-3-1
Motor Pool.....	3-3-6
Purchasing	3-4-1
Central Stores	3-4-5
Mail and Courier Services	3-4-10
Printing Services	3-4-15
Real Estate Services	3-5-1
Rents and Leases	3-5-9
Chino Agricultural Preserve.....	3-5-12
Fiscal Group Summary	
Assessor	4-1-1
State/County Property Tax Administration Program	4-1-8

Table of Contents

Auditor/Controller-Recorder.....	4-2-1
Micrographics	4-2-14
Systems Development	4-2-17
Vital Records	4-2-21
Records Management	4-2-24
Treasurer/Tax Collector	4-3-1
Central Collections	4-3-13
Law and Justice Group Summary	
County Trial Courts Summary	5-1-1
Drug Court Programs	5-1-1
Grand Jury	5-1-5
Indigent Defense.....	5-1-8
Judicial Benefits/Facilities	5-1-12
Trial Court Funding – Maintenance of Effort	5-1-15
Courthouse Seismic Surcharge.....	5-1-19
Courthouse Facility – Excess 25%	5-1-22
Surcharge on Limited Filings	5-1-26
Indigent Defense – Special Revenue Fund.....	5-1-29
District Attorney Summary	5-2-1
Criminal.....	5-2-1
Child Abduction.....	5-2-13
DA Special Revenue Funds – Consolidated.....	5-2-17
Asset Forfeiture.....	5-2-21
Specialized Prosecution.....	5-2-25
Auto Insurance Fraud.....	5-2-28
Workers Compensation Fraud	5-2-31
Real Estate Fraud Unit.....	5-2-34
Vehicle Fees.....	5-2-37
Federal Asset Forfeiture.....	5-2-40
Law and Justice Group Administration	5-3-1
2002 Local Law Enforcement Block Grant.....	5-3-5
2001 Local Law Enforcement Block Grant.....	5-3-9
2000 Local Law Enforcement Block Grant.....	5-3-13
Probation	5-4-1
Administration/Community Corrections	5-4-1
Court Ordered Placements	5-4-14
Detention Corrections	5-4-18
Pretrial Detentions	5-4-27
AB 1913 Grant	5-4-30
AB 1913 – Special Revenue	5-4-37
Public Administrator/Public Guardian/Conservator/Coroner	5-5-1
Forensic Pathology.....	5-5-14
Public Defender.....	5-6-1
Sheriff Summary.....	5-7-1
Sheriff.....	5-7-1
Sheriff's Special Revenue Funds – Consolidated.....	5-7-18
Contract Training	5-7-22
Public Gatherings	5-7-26
Aviation	5-7-29
IRNET Operations Fund – Federal.....	5-7-32
IRNET Operations Fund – State.....	5-7-35
High Intensity Drug Trafficking Area.....	5-7-38
Federal Seized Assets (DOJ)	5-7-41
Federal Seized Assets (Treasury).....	5-7-44
State Seized Assets.....	5-7-47
Vehicle Theft Task Force.....	5-7-50

Table of Contents

Search and Rescue	5-7-53
Cal-ID Program.....	5-7-56
COPSMORE Grant.....	5-7-59
Sheriff Capital Project Fund	5-7-63
Court Services Auto.....	5-7-66
Court Services Tech.....	5-7-69
Economic Development/Public Services Group Summary	
Economic Development/Public Services Group Administration	6-1-1
Agriculture, Weights and Measures Summary.....	6-2-1
Agriculture, Weights and Measures.....	6-2-1
California Grazing	6-2-8
Airports Summary	6-3-1
Airports	6-3-1
Chino Airport Commercial Hangar Facility	6-3-7
County Library.....	6-4-1
County Museum.....	6-5-1
Ultrascreen Theatre	6-5-6
Museum Store	6-5-9
Economic and Community Development Summary	6-6-1
Economic and Community Development Consolidated	6-6-1
Economic Promotion	6-6-9
Small Business Development	6-6-13
Jobs and Employment Services	6-7-1
Land Use Services Summary.....	6-8-1
Administration.....	6-8-1
Current Planning.....	6-8-6
Advance Planning.....	6-8-13
Building and Safety.....	6-8-20
Code Enforcement.....	6-8-27
Fire Hazard Abatement	6-8-31
General Plan Update.....	6-8-38
Habitat Conservation.....	6-8-41
Public Works Department Summary	6-9-1
Regional Parks.....	6-9-1
County Trail System	6-9-8
Proposition 12 Projects.....	6-9-12
Proposition 40 Projects.....	6-9-15
Moabi Regional Park Boat Launching Facility.....	6-9-18
Glen Helen Amphitheater	6-9-21
Regional Parks Maintenance/Development.....	6-9-24
Calico Ghost Town Marketing Services	6-9-27
Off-Highway Vehicle License Fee.....	6-9-30
Glen Helen Pavilion Improvements.....	6-9-33
Regional Parks Snack Bars.....	6-9-36
Transportation	
Surveyor	6-9-39
Survey Monument Preservation.....	6-9-45
Road Operations Consolidated.....	6-9-48
Caltrans Contract	6-9-57
Etiwanda Interchange Improvements.....	6-9-60
High Desert Corridor Project.....	6-9-63
Development Projects	6-9-66
Measure I	6-9-69
Solid Waste Management	
Operations	6-9-73

Table of Contents

Site Closure and Maintenance.....	6-9-80
Site Enhancement, Expansion and Acquisition	6-9-84
Groundwater Remediation	6-9-88
Environmental Mitigation Fund.....	6-9-91
Registrar of Voters.....	6-10-1
Special Districts Summary	6-11-1
Franchise Administration.....	6-11-1
Fish and Game Commission	6-11-6
County Fire Fees.....	6-12-1
Human Services System Summary	
Aging and Adult Services	7-1-1
Arrowhead Regional Medical Center Summary	7-2-1
Arrowhead Regional Medical Center	7-2-1
Telemedicine.....	7-2-40
Tobacco Tax	7-2-43
Behavioral Health Summary.....	7-3-1
Behavioral Health.....	7-3-1
Alcohol and Drug Abuse Services	7-3-12
Special Patient Account.....	7-3-19
Child Support Services.....	7-4-1
Health Care Costs.....	7-5-1
Human Services System.....	7-6-1
Administrative Claim	7-6-2
Subsistence Payments.....	7-6-23
Child Care Provider Payments	7-6-28
Out-of-Home Child Care	7-6-32
Aid to Adoptive Children	7-6-35
AFDC – Foster Care	7-6-39
Refugee Cash Assistance.....	7-6-43
Cash Assistance for Immigrants	7-6-46
CalWorks – All Other Families.....	7-6-49
CalWorks – KIN GAP	7-6-53
Seriously Emotionally Disturbed	7-6-56
CalWorks – 2-Parent Families	7-6-60
Aid to Indigents.....	7-6-63
Proposition 36.....	7-6-66
AB212 Teacher Stipends.....	7-6-70
Preschool Services.....	7-7-1
Public Health.....	7-8-1
California Children's Services.....	7-8-30
Indigent Ambulance.....	7-8-42
Cajon Pass Illegal Dumping Clean-Up.....	7-8-45
Veterans Affairs.....	7-9-1
Realignment.....	7-10-1
Other Agencies	
In Home Supportive Services Public Authority	8-1-1
County Economic Development Corporation.....	8-2-1
Industrial Development Authority	8-3-1
Redevelopment Agency.....	8-4-1
Operating Fund	8-4-1
Housing Fund.....	8-4-6
Debt Service Fund.....	8-4-9
Capital Projects.....	8-4-12
Housing Projects.....	8-4-15

Table of Contents

Victor Valley Economic Development Authority	8-4-18
Victor Valley Economic Development Authority - Housing	8-4-21
County Fire.....	8-5-1

INTEROFFICE MEMO



County of San
Bernardino

DATE May 19, 2003

PHONE 387-5418

FROM WALLY HILL
County Administrative Officer

TO THE HONORABLE BOARD OF SUPERVISORS

SUBJECT REVISED FINANCING PLAN FOR 2003-04 BUDGET WORKSHOP

A 2003-04 Budget Financing Plan was given to the Board on March 19, 2003. A copy of that memo is attached for your reference. That plan provided the basis for distributing locally financed budget targets to general fund departments to develop their 2003-04 proposed budgets. Enclosed in this workbook are the departmental budgets submitted and reviewed by the County Administrative Office.

The analysis of each department's budget is presented in a similar format as in the prior year with the exception of the additional vacant position information. This analysis shows:

- The Board Approved Base Budget, which includes the approved costs mentioned in the March financing plan and any other Board approved agenda items.
- Recommended Program Funded Adjustments that the departments included in their budget, within their allocated local cost.
- Department Request, which is the sum of the items above.
- Vacant Position Impact, which shows the cost of vacant positions, not in recruitment, that the departments included in their budget, with backup schedules showing all vacant positions and designating which positions are in active recruitment and which are not. All vacant budgeted positions not in recruitment have been slated for deletion from the departments' budgets based on Board direction received on April 8, 2003.
- Proposed Budget (Adjusted), which is the sum of the items above.
- Recommended Vacant Restoration, which includes the cost of positions that the County Administrative Office is recommending for restoration based on policy items submitted by departments.
- Recommended Budget, which is the sum of the last two items above.

In addition to the vacant position restoration policy items, any program or workload changes that could not be financed within the department's current allocation are also presented as policy items in this workbook. Fee ordinance adjustments are not incorporated in the enclosed budgets, but are included for approval. A summary of the requested fee adjustments is included as Attachment A. Details on the fees are included with the applicable department's budget submittals. The majority of the requests are to increase appropriation if the fee is approved. For some general fund departments, if the fee is approved it would save general fund financing by reducing the department's local cost. A few of the departments submitted fee increases as part of their 30% cost reduction plan. In most cases, the Board has the option to either increase the department's appropriation or reduce their general fund support when they approve these fees. It should be noted that if the County Administrative Office does reduce their general fund support, it will be another reduction to the departmental budgets.

Revised 2003-04 Financing Plan

Since March 19, 2003 the county has received additional actual data on discretionary revenue as well as departmental activity from March through May. This new information was analyzed and the County Administrative Office is revising the county's 2003-04 financing plan as follows:

	(In Millions)		
	Ongoing	One-time	Total
Financing Available as of March 19, 2003	10.5	29.4	39.9
Increased Revenue Sources:			
Increase in Discretionary Revenue	1.5		1.5
Increase in Fund Balance		6.4	6.4
Unallocated Tobacco Settlement Revenue		9.7	9.7
Adjustments to Local Cost:			
March 25 BAI – Supervising Attorney Compensation	(0.3)		(0.3)
Sheriff – Behavioral Health now paying for cost of drugs	1.3		1.3
Probation – Less Court Ordered Placements	0.5		0.5
A & E – Less General Fund Support needed	<u>0.1</u>		<u>0.1</u>
Subtotal Revised Financing Available	13.6	45.5	59.1
Vacant Budgeted Positions Deleted per Board Direction	<u>4.3</u>		<u>4.3</u>
Subtotal Revised Financing Available	17.9	45.5	63.4
CAO Recommended Restoration of Vacant Positions	(0.3)		(0.3)
CAO Recommended Funding Sheriff Policy Item	<u>(0.8)</u>		<u>(0.8)</u>
Subtotal Revised Financing Available	16.8	45.5	62.3

INCREASED REVENUE SOURCES

Discretionary Revenue (\$1.5 Million Increase)

Sales Tax +0.5 million: Sales tax projections increased \$500,000 from the March 19, 2003 financing plan by \$500,000 based on revenue projected to be generated in the unincorporated area known as the Donut Hole in 2003-04.

Property Transfer Tax +1.0 million: Property Transfer Tax is expected to increase by \$1.0 million from the March 19, 2003 financing plan based on continued strength in home sales and rising home prices.

**BOARD OF SUPERVISORS
REVISED 2003-04 FINANCING PLAN
May 19, 2003
Page Three**

Fund Balance (\$6.4 Million Increase)

The County Administrative Office is expecting a higher than anticipated fund balance at the end of 2002-03 for two reasons. First, departmental savings is anticipated to be \$3.7 million higher than projected in the March 19, 2003 financing plan. This is caused by increased recording revenue in the Auditor's budget and increased federal and state revenue in the Probation Department's budget. Secondly, the \$2.7 million additional increase in fund balance is mainly due to higher projections in vehicle license fees and other discretionary revenue.

Tobacco Settlement Revenue (\$9.7 Million Unallocated)

Although the Tobacco Settlement proceeds are collected in a special revenue fund, the Board of Supervisors has discretion on where this money is spent. The total tobacco settlement money available in 2003-04 is \$27.4 million, of which \$15.0 million is to be applied towards the ARMC Debt Service and \$2.7 million is to be spent on general fund financing. The remaining \$9.7 million is not allocated in 2003-04.

ADJUSTMENTS TO LOCAL COST

After March 19, 2003 the Board of Supervisors approved additional ongoing costs totaling \$0.3 million for the District Attorney and Public Defender as a result of supervising attorney compensation increases.

While developing the 2003-04 proposed budget, the County Administrative Office was able to identify additional savings of \$1.9 million in three departments as discussed below.

In prior years, the Sheriff Department paid for the cost of psychotropic medications to inmates, which is estimated to cost \$1.3 million in 2003-04. These costs were identified to be an appropriate cost that could be borne by Behavioral Health, whom receive federal and state funding. Therefore, the county general fund is saving \$1.3 million.

The Probation Department continues its efforts to reduce Court Ordered Placements by increasing options available in the community. Due to the anticipated decreased number of placements in 2003-04, the court ordered placements budget has been decreased by \$500,000. This budget still includes an estimated increase of 10% in the fees charged by the state. If the approved state budget has an increase of more than 10%, this budget may need additional financing. Currently, this is a county general fund saving of \$500,000.

Architecture and Engineering Department analyzed their budget and was able to get reimbursements for all the increased costs in 2003-04 and did not need additional local cost allocated to them in the March 19, 2003 financing plan. Therefore, the county general fund is saving \$0.1 million.

VACANT BUDGETED POSITIONS

On April 8, 2003 the Board of Supervisors directed the County Administrative Office to adjust 2003-04 budgets by deleting all vacant budgeted positions that are not in active recruitment. As a result of this direction, 89.6 vacant budgeted positions funded by local cost were deleted from the departmental request budgets, which if approved can generate \$4.3 million in local cost savings.

CAO RECOMMENDATIONS

The County Administrative Office is recommending restoration of 10.0 of the vacant budgeted positions slated for deletion that would reduce the local cost savings by \$0.3 million.

In addition, although a number of departmental policy items are included in this budget submittal, the County Administrative Office is recommending to only fund one request at this time totaling \$843,285 since it is based on terms of the COPSMORE grant. Under the terms of the COPSMORE grant, the county is obligated to fund technical positions that were added for one complete budget cycle after the grant has expired. This obligation was fulfilled for 12.0 positions in 2002-03 and the remaining 11.0 positions must be funded in 2003-04 to meet the one budget cycle after expiration.

If the Board concurs with the CAO recommendations, the financing still available for appropriation is \$62.3 million (\$16.8 ongoing and \$45.5 one-time). The County Administrative Office is recommending to not allocate the available Tobacco Settlement money of \$9.7 million until the State Budget Impact on health issues is known. The remaining \$52.6 million available is being recommended to be placed in general fund contingencies to address the State Budget Impact that the county may face in the near future.

COUNTY OF SAN BERNARDINO RESERVES

The county has several types of reserves. The general purpose reserve is funds held to protect the county from unforeseen increases in expenditure or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the county. The general purpose reserve is 10% of the locally funded appropriations. Some reserves are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects.

A listing of those reserves, beginning balances, uses during 2002-03, planned contribution (uses) in 2003-04 and ending balances are shown below:

	March 19, 2003 Estimated Balance	2002-03 Approved Contribution (Uses)	2003-04 Recommended Contribution (Uses)	Estimated June 30, 2004 Balance
General Purpose Reserve	31,936,310		2,887,258	34,823,568
Specific Purpose Reserves				
Medical Center Debt Service	32,074,905			32,074,905
Teeter Reserve	19,260,087			19,260,087
Restitution Reserve	8,449,856			8,449,856
Retirement Reserve	7,000,000			7,000,000
Equity Pool Reserve	2,000,000	(122,856)	2,839,051	4,716,195
Insurance Reserve	5,000,000			5,000,000
Electronic Voting Reserve	5,700,000			5,700,000
Capital Projects Reserve	4,000,000			4,000,000
Pepper & Valley Intersection Reserve	6,000,000			6,000,000
Bark Beetle Reserve	500,000	(300,000)		200,000
Justice Facilities Reserve	4,995,408		(1,000,000)	3,995,408
West Valley Maximum Security	1,492,986			1,492,986
Total Specific	96,473,242	(422,856)	1,839,051	97,889,437
Purpose				

**BOARD OF SUPERVISORS
REVISED 2003-04 FINANCING PLAN
May 19, 2003
Page Five**

In 2002-03 mid-year Board actions authorized the use of \$122,856 of the equity pool reserve to fund equity increases for employees in the District Attorney, Public Defender and Assessor Departments and the use of \$300,000 of the Bark Beetle Reserve to provide financial assistance for tree removal and for a special assessment feasible study.

In 2003-04 the specific purpose reserves include an additional general fund contribution of \$3.0 million to the equity pool reserve offset by the 2003-04 full year costs of the approved fund equity increases in 2002-03. In addition, \$1.0 million from the Justice Facilities Reserve is used to offset a portion of the first year cost of the recently approved safety MOU.

The balance in reserves are available for multi-year planning and to address future costs.

FEE ADJUSTMENTS REQUIRED IN 2003-04 PROPOSED BUDGET (IF APPROVED)

	<u>Appropriations</u>	<u>Revenue</u>	<u>Local Cost</u>
GENERAL FUND			
Auditor/Controller-Recorder	49,606	49,606	-
Agriculture/Weights and Measures	79,610	79,610	-
PA/PG/Conservator/Coroner	27,000	28,620	(1,620)
County Museum	132,501	132,501	-
Land Use Services - Current Planning Division	142,585	142,585	-
Land Use Services - Current Planning Division Miscellaneous Services	4,440	4,440	-
Land Use Services - Code Enforcement & Fire Hazard Abatement	258,485	258,485	-
Public Health - Animal Care & Control	157,897	157,897	-
Public Health - Food Recreational Health Program	426,043	426,043	-
Public Works - Regional Parks	8,185	8,185	-
Public Works - Surveyor*	-	-	-
Registrar of Voters*	-	-	-
Sheriff	150,000	155,000	(5,000)
Treasurer-Tax Collector	25,000	25,000	-
SPECIAL REVENUE FUNDS			
County Fire**	500	500	-
Economic & Community Development*	-	-	-
Library	249,000	249,000	-
Sheriff	435,303	435,303	-
ENTERPRISE FUNDS			
Solid Waste Management	471,776	471,776	-
TOTAL APPROPRIATION CHANGES	2,617,931	2,624,551	(6,620)

* No overall change to departmental costs and revenues - restructuring of fees only.

** This is included in the Special Districts Budget.



County of San
Bernardino

INTEROFFICE MEMO

DATE March 19, 2003

FROM **VALERIE CLAY**, Deputy Administrative Officer
County Administrative Office

TO **THE HONORABLE BOARD OF SUPERVISORS**

PHONE 387-5410

SUBJECT **FINANCING PLAN FOR THE 2003-04 BUDGET**

On March 18, 2003, the Board of Supervisors approved the 2003-04 budget targets to county departments. This memo summarizes the development of the financing plan for the 2003-04 budget. It describes in detail how the county is financing the 2003-04 budget targets and how much available financing remains to address unknown issues, such as the state budget crisis, based on the amount approved from the 30% cost reduction plans.

Components of the financing plan included in this memo are:

- Analysis of the 2003-04 financing plan: 1) Financing Available and 2) Base Line Budget Cost Adjustments
- Review of county policies as to use of one-time funds and general-purpose revenues.
- Local Cost Reduction Approved from 30% Cost Reduction Plans
- Issues not Addressed in 2003-04 Financing Plan
- Conclusion

ANALYSIS OF THE 2003-04 FINANCING PLAN

Projections for new financing available for next year's budget include \$31.8 million in ongoing financing sources and \$45.9 million in one-time financing sources as summarized on the chart below:

FINANCING AVAILABLE FOR 2003-04 (in millions)

	Ongoing	One-time	Total
Beginning Financial Position	1.0		1.0
New Discretionary Revenue	27.2		27.2
New Prop 172 Revenue	3.6		3.6
Estimated One Time Money Available		40.9	40.9
Use of Justice Facilities Reserve		1.0	1.0
Solid Waste		4.0	4.0
Total New Financing Available	31.8	45.9	77.7

Beginning Financial Position - \$1.0 million

The 2002-03 budget included \$57.7 million in one-time funding sources. The budget also included \$58.7 million in one-time financing uses. The difference of \$1.0 million represents one-time uses that were financed through ongoing financing sources. This ongoing financing is available for reallocation in the 2003-04 budget and is defined for the purposes of this report as the beginning financial position. A listing of these specific sources and uses are provided in Exhibit 1.

**BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Two**

New Discretionary Revenue - \$27.2 million

New discretionary revenue is outlined in the chart below. The growth from prior year's budget in discretionary countywide revenues is estimated to be \$27.2 million and is based on the following.

NEW DISCRETIONARY REVENUE (in millions)

Property Tax AV growth	11.7
Motor Vehicle License Fee	9.8
COWCAP	3.3
Sales Tax	1.6
Interest	(2.5)
Other	3.3
Total New Ongoing Discretionary Financing	27.2

- Property tax revenue is expected to increase by \$11.7 million over the prior year budgeted amount, based on an anticipated assessed valuation growth of 8.0%.
- The growth rate in vehicle license fees is expected to remain relatively flat in 2003-04 in the belief that auto sales will not continue to expand at the rates that they have in recent years (about 10% increases). However, it is anticipated that the county's population share of Vehicle License Fee revenue will increase slightly, resulting in an estimated 6.0% growth in revenue over the current year-end estimate. In addition to the 6% growth, VLF from commercial trailers is expected to generate approximately \$1.0 million in additional revenues. This estimate also assumes the entire VLF backfill from the state.
- COWCAP revenue will increase due to increased costs, mainly in salaries and benefits, distributed to non-general fund departments.
- Discretionary sales tax revenue received is for sales in the unincorporated area of the county only. It is anticipated that California will begin recovering from the recession in the current fiscal year, and move into a stronger recovery next year. This, along with the county's high rate of growth, results in an expected sales tax revenue increase of 6.2% in fiscal year 2003-04.
- Interest is expected to decrease approximately \$2.5 million next year. This \$2.5 million represents the estimated amount of interest to be earned on the Tax and Revenue Anticipation Notes (TRANS) in the current fiscal year. Because of uncertainties surrounding the state budget, and low spreads between borrowed and invested funds, the timing and amount of the 2003-04 TRANS cannot be reasonably estimated at this time, and is not expected to produce a significant amount of revenue.
- Other revenues are expected to increase \$3.3 million. The majority of the growth is anticipated in property transfer tax and property tax administration fees. \$90,000 of this increase is for anticipated growth in franchise fees. This amount was inadvertently included in the 30% cost reduction plans as reduced local financing required for the Franchise Administration budget.

**BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Three**

New Prop 172 Revenue - \$3.6 million

Proposition 172, which became effective January 1, 1994, placed a one-half percent sales tax rate in the state's constitution and required that it be used only for public safety activities. After analyzing several consecutive years of solid growth leading up to 2000-01, growth in Prop 172 revenues declined sharply in 2001-02 (actual receipts of \$90.4 million were 10% below budgeted revenues of \$99.4 million), resulting in a significant budget shortfall in that fiscal year. As a result, the county conservatively budgeted Prop 172 revenue in 2002-03 and scaled back its growth expectations to a more conservative 4% which translated to budgeted revenues of \$93.7 million. Once again, due to economic uncertainties and prior year experience, projected Prop 172 revenue increase in the amount of \$3.6 million represents a conservative growth expectation of approximately 4% in 2003-04. In 2003-04 the Prop 172 revenue budget will be \$97.3 million. Should actual Prop 172 receipts exceed budget in 2002-03 and/or 2003-04, this will allow the county to start building a reserve that will enable the county to better cope with any unanticipated volatility with sales tax revenue in the future.

Estimated One Time Money Available - \$45.9 million

<u>One Time Money Available for 2003-04 (in millions)</u>	
2002-03 Departmental Operation Savings	11.5
2002-03 Non-Departmental Revenue Adjustments:	
Property Tax Revenue	6.4
Vehicle License Fees	1.5
Interest Earnings	(0.7)
Sales Tax	0.8
Other Revenue	<u>2.5</u>
Total Non Departmental Revenue	10.5
2002-03 Unspent General Fund Contingencies	12.0
2003-04 Debt Refinancing Savings	4.4
2003-04 CIP Savings	<u>2.5</u>
March 11, 2003 Agenda	40.9
Subtotal	
2003-04 Use of Justice Facilities Reserve	1.0
2003-04 Solid Waste Transfers	4.0
One Time Money Available for 2003-04	<u>45.9</u>

An estimated \$11.5 million in departmental savings is anticipated in 2002-03 primarily due to the hiring freeze and other cost reduction measures implemented by the county in the current year.

\$10.5 million in increased discretionary revenue is expected in the current fiscal year caused by strong performance in Property Tax and other property related revenue sources.

It is anticipated that \$12.0 million will remain in the general fund contingency account at year-end.

Savings of \$4.4 million due to debt refinancing and \$2.5 million in CIP savings will also be available as one- time sources in fiscal year 2003-04.

As a result of the approval of the Sheriff Department's local cost reduction on March 18, 2003, the use of \$1.0 million from the Justice Facilities Reserve is required. This \$1.0 million will be used to offset the first year cost of the recently approved safety MOU including the costs of the 3% at 50 retirement benefit in the Sheriff's Department budget

BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Four

The Solid Waste Enterprise fund has been making annual payments to the general fund since 1995. The majority of these payments, which in recent years have been \$6.0 million annually, are reimbursement for the value of certain landfill properties acquired by the county prior to 1983, when the Solid Waste Enterprise fund was established. This reimbursement was approved by the Board on October 31, 1995 and will cease (estimated in 2005-06) once the balance is satisfied. Since this stream of repayment revenues is limited in duration, \$2.0 million of this payment is included as an ongoing revenue source and \$4.0 million is included as a one-time revenue source in 2003-04. This \$4.0 million was not included in the available one time financing sources presented previously since the Solid Waste Management is currently dealing with the perchlorate issue. This payment to the general fund could possibly be deferred, if necessary, to address the perchlorate issue.

The prior sections of this report addressed the financing available for 2003-04. This section will address new costs. The CAO recommended the funding of increased ongoing costs only to the extent that there is ongoing revenue available to support those costs. All other cost increases will be absorbed in the departments' current local cost allocation such as inflation and workers comp surcharge. The chart below summarizes the adjustments to the base line budget that were approved to be funded while continuing to maintain a structurally balanced budget. Following the chart is a brief description of each cost component.

BASE LINE BUDGET ADJUSTMENTS (in millions)

Discussed in March 11, 2003 Agenda Item:	
MOU Increase in 2003-04 (All except Safety Mgmt)	10.4
Retirement rate adjustments	14.9
Gen Workers Comp/Other Insur Costs	2.7
Mandated Programs (SB90 Backfill)	<u>2.4</u>
Subtotal	30.4
Approved in Prior Board Agenda Items:	
Attorney and Specialized Peace Officer MOU approved mid year	5.4
Computer Rate reductions	(0.5)
Mid-year Board increases	1.6
Full-year funding	2.8
4% Spend Down Plan Approved	<u>(8.6)</u>
Subtotal	0.7
Other Items:	
Debt service	(2.6)
Mandated/Other Costs	2.4
MOU Increase in 2003-04 (Safety Mgmt) approved March 18, 2003	<u>0.9</u>
Subtotal	0.7
Total Ongoing Costs	31.8
Contribution to CIP	3.5
Contribution for General Plan Update	1.0
Contribution to CSA 38 for "Donut Hole"	0.1
Contribution to Equity Pool Reserve	3.0
Transfer Justice Facilities Reserve to Sheriff	1.0
Maintain Contingencies per Board policy	5.2
Contribution To Reserves Per Board Policy	<u>2.7</u>
Total One Time Costs	16.5
Total Costs	48.3

BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Five

ONGOING COSTS:

MOU Increase in 2003-04 (All except Safety Mgmt) - \$10.4 million

The county is in the second year of a three-year agreement with non-safety employees. The general MOU and exempt compensation plan each call for a 3.0% salary increase in July 2003 along with increases in the flexible benefit plan, at a net local cost increase of \$5.9 million. The provision of local cost funding of MOU increases for the previously self-supporting functions of Advanced Planning, Parks and Museums continues.

The county is in the second year of a three and one-half year labor agreement with employees in the attorney unit. This unit's MOU calls for a 3.0% salary increase to be received in July 2003 along with increases in the flexible benefit plan, at a net local cost of \$0.9 million.

The county is in the second year of a three and one-half year labor agreement with employees in the specialized peace officers and specialized peace officers-supervisory units. These units' MOU calls for a 2.0% salary increase effective December 2003. In addition, these units will also receive increases in the flexible benefit plan effective in July 2003. These increased salary and benefit costs have a net local cost of \$0.3 million.

The safety unit recently approved a three-year labor agreement that calls for a 2.5% increase to be received in October 2003 and a new monthly medical premium subsidy for those participating in a county sponsored health plan. In addition, the safety unit received a change in their retirement plan known as 3% at 50. The wage increase, monthly subsidy, and the 3% at 50 retirement change carries a net local cost of \$3.3 million.

Retirement Rate Adjustments - \$14.9 million

Employer retirement contributions are composed of two rates: a rate set actuarially by the Retirement Board and a rate set by the county to cover payment of the pension obligation bond. In 2003-04 the rates from the Retirement Board increased significantly for both general and safety employees. Offsetting this increase was a decrease in the pension obligation bond rate. This decrease was due to the available balance within the bond trust fund that was created last year to smooth the impact of future retirement rate increases that were expected to begin this fiscal year. As a result of these rate changes, general employee costs will rise \$13.4 million and safety employee costs will increase \$1.5 million, for a net result of \$14.9 million increase in local cost. The safety rate adjustment is exclusive of the impact of the 3% at 50 retirement plan, which is accounted for above.

Gen Workers Comp/Other Insur Costs - \$2.7 million

Increases to Workers' Compensation premiums are required to offset increasing expenses for claims. This increase of \$3.4 million is consistent with the new five-year recovery plan, which aims to maintain cash flow to pay workers' compensation claims. This increase is offset by adjustments in liability insurance rates that were approved by the Board on March 4, 2003.

Mandated Programs (SB 90 Backfill)- \$2.4 million

The state has suspended reimbursements of state mandates in 2002-03 and is proposing to continue this suspension in 2003-04. Certain departments appear to be able to absorb the loss of the state mandate reimbursements and, therefore, the County Administrative Office only recommends to backfill \$2.4 of the \$4.4 million in SB90 revenue for 2003-04. Although the state promises to pay back this lost SB90 revenue with interest, this pay back and the return of reimbursements is not expected until three to five years from now. Therefore, this backfill is considered ongoing in the 2003-04 financing plan.

BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Six

Attorney and Specialized Peace Officer MOU approved mid year - \$5.4 million

The bargaining units for the attorney unit, the specialized peace officer unit, and the specialized peace officer-supervisory unit were created in December of 2001. When created, the county funded the increased costs for these units with one-time contingency funds. The ongoing costs for these increases, exclusive of the incremental increases for 2003-04 mentioned above, total \$5.4 million.

Computer Rate Reductions - \$(0.5) million

Included in the 2003-04 financing plan are rate adjustments for computer operations that were approved by the Board on March 4, 2003. Effective July 1, 2003, the Central Mainframe Computer rate and the Infrastructure rate will be reduced, resulting in a local cost savings of approximately \$500,000 in 2003-04.

Mid-Year Board Increases - \$1.6 million

Costs increases in this category reflect the Board's Mid-Year approval of the items detailed in Exhibit 2.

Full-Year Funding - \$2.8 million

As part of the 2002-03 Budget, the Board approved funding and staffing for the anticipated 160-bed expansion of the West Valley Juvenile Detention and Assessment Center in December 2002. This included \$4,126,375 in new local cost for Probation and \$409,876 for Facilities Management staffing and utilities for a total local cost increase of \$4,536,251. Although youth were not expected to move into the new facility until late December, transition teams were formed in October to become familiar with, and test the functionality of, the infrastructure, security systems, mechanics, and to draft policies and procedures prior to occupancy.

The total cost for ongoing annual operations for 2003-04 is estimated to be \$12.7 million. Due to the \$4.5 million funding that was already provided for 6 months of operation during 2002-03 and the \$5.3 million transferred from the Central Juvenile Hall operations, the increased local cost needed for 2003-04 is \$2,868,908. This breaks down to \$2,719,874 for Probation and \$149,034 for Facilities Management.

4% Spend Down Plan Approved - \$(8.6) million

In December 2002, the Board approved a 4% spend down plan to fund rising ongoing expenses. This plan produces \$8.6 million in savings beginning in 2003-04.

Debt Service - \$(2.6) million

In the 2002-03 budget, the Board made a one-time allocation of \$2.1 million of fund balance, generated by the refinancing of the 1992 Justice Center/Airport Improvement Project, towards the prepayment of a portion of the Glen Helen Taxable debt. For 2003-04, the debt service budget will be reduced by this \$2.1 million, plus an additional \$0.3 million to reflect the reduction in annual debt service costs as a result of this prepayment. A projected \$ 0.1 million decrease in debt administration costs and a projected increase of \$ 0.1 million in reimbursements, bring the total local cost reduction to \$2.6 million.

Mandated/Other Costs - \$2.4 million

These costs are mainly in increased utilities costs totaling \$2.1 million and an increase in Unemployment Insurance totaling \$1.2 million. These increases are offset by the elimination of a one-time shift to the Sheriff's Department to meet the county's obligation of financing positions for one year after the COPS MORE grant was expired.

BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Seven

MOU Increase in 2003-04 (Safety Mgmt) - \$0.9 million

On March 18, 2003, the Board approved the safety management employees' MOU, which calls for a 2.5% salary increase in October 2003 and the additional medical premium subsidy received by the safety unit. The safety management unit has also negotiated the retirement plan, 3% at 50. The net local cost increase in salaries and benefits will be \$0.9 million.

ONE TIME COSTS:

Contribution to CIP - \$3.5 million

As part of the financing plan, \$3.5 million has been allocated to the Capital Improvement Program. County departments have submitted their CIP requests for the upcoming year. Architecture and Engineering is compiling the list of requested projects, along with estimated costs, for the Board's consideration during the budget workshops at which time the Board can adjust the level of funding to reflect approved projects. Due to the potential State Budget Impact, the County Administrative Office will only recommend projects that are related to building maintenance and health/safety issues. No new projects will be recommended.

Contribution for General Plan Update - \$1.0 million

The county general fund has been contributing money to finance a portion of the general plan update. To date \$2.5 million has been allocated for this purpose. An additional \$1.0 million will be allocated in 2003-04. The remaining planned contributions will be \$1.0 million in 2004-05 and \$0.5 million in 2005-06.

Contribution to CSA 38 for "Donut Hole" - \$0.1 million

In 2002-03, the Board approved general fund support towards funding fire services in the "Donut Hole" area. This full year cost will be paid to the City of Redlands. It is anticipated that the increased sales tax revenue received by the county will offset this increase.

Contribution to Equity Pool Reserve - \$3.0 million

As part of the approved three-year labor agreement with the non-safety employees, an equity pool was established to fund equity studies and resulting salary increases. A total of \$9.5 million is required in the three-year period. A portion of this \$9.5 million obligation will be paid from non-general fund financing sources. Currently there is \$2.0 million in the Equity Pool Reserve, with this contribution of \$3.0 million, the total reserve will be \$5.0 million.

Transfer Justice Facilities Reserve to Sheriff - \$1.0 million

This adjustment transfers \$1.0 million of the Justice Facilities Reserve (discussed in one-time sources above) to the sheriff's budget unit to be used to offset the first year cost of the recently approved safety MOU.

Maintain Contingencies - \$5.2 million/Contributions to Reserves - \$2.7 million

These funding recommendations are based on established county policy discussed later in this memo.

COUNTY POLICIES

In 1998 the county adopted a formal budget financing policy and a reserve policy. The key elements of these policies are described below:

Budget Finance Policy

- One-time funds will not be used to finance ongoing operational costs, except within the context of a larger plan to balance ongoing revenues and costs over a multi-year period.
- No less than one-third will be allocated to increasing reserves to the 10% target level as defined in the county's Reserve Policy.

Reserve Policy

- The county shall establish an ongoing general-purpose reserve for the general fund targeted at 10% of locally funded appropriations, with a target date of 2002-03 for attaining this goal.
- The county will maintain an appropriated contingency fund to accommodate unanticipated operational changes, legislative impacts or other economic events affecting the county's operations, which could not have been reasonably anticipated at the time the budget was prepared. Funding shall be targeted at no less than 1.5% of locally funded appropriations.

Locally funded appropriations is defined as those which are funded by discretionary, unrestricted property tax, sales tax, motor vehicle-in-lieu taxes, interest income, and other revenues not linked to specific programs.

For 2003-04 the locally funded appropriations are projected to be \$346.6 million. A general reserve requirement of 10% would be \$34.7 million and an appropriated contingency of 1.5% would require \$5.2 million.

The financing plan includes \$5.2 million in the county contingency budget (of which \$1.0 million of this amount will be designated for grant matches) and recommends a contribution of \$2.7 million to the general-purpose reserve to satisfy the requirements of these policies.

The county has several types of reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the county from unforeseen increases in expenditure or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the county.

A listing of those reserves and the planned contributions are shown below:

GENERAL PURPOSE RESERVE

	Estimated June 30, 2003 Balance	Recommended Contribution	Estimated June 30, 2004 Balance
General Purpose Reserve	31,936,310	2,727,133	34,663,443

As demonstrated above, the new contribution of \$2.7 million would bring the total general-purpose reserves to \$34.7 million.

SPECIFIC PURPOSE RESERVES

	Estimated June 30, 2003 Balance	Recommended Base Line Budget Contribution /(Use)
Specific Purpose Reserves		
Medical Center Debt Service	32,074,905	
Teeter Reserve	19,260,087	
Restitution Reserve	8,449,856	
Retirement Reserve	7,000,000	
Equity Pool Reserve	2,000,000	3,000,000
Insurance Reserve	5,000,000	
Electronic Voting Reserve	5,700,000	
Capital Projects Reserve	4,000,000	
Pepper & Valley Intersection Reserve	6,000,000	
Bark Beetle Reserve	500,000	
Justice Facilities Reserve	4,995,408	(1,000,000)
West Valley Maximum Security	1,492,986	
Total Specific Purpose	96,473,242	2,000,000

Base Line Budget adjustments to specific purpose reserves include an additional general fund contribution of \$3.0 million to the equity pool reserve and the use of \$1.0 million from the Justice Facilities Reserve.

It should be noted that this financing plan only includes using \$1.0 million of these specific purpose reserves as a means of financing for 2003-04. As such, the remaining reserves are available for multi-year planning and to address future costs.

LOCAL COST REDUCTION APPROVED FROM 30% COST REDUCTION PLANS

The prior sections of this report addressed the financing available and the known new costs for 2003-04. This section addresses the local cost reduction to locally funded departments, which would generate ongoing revenue sources to be used to fund future ongoing costs such as the State Budget Impact and Ventura II settlement. On March 18, 2003, the Board approved a local cost reduction of \$10.6 million. However, this amount needed to be adjusted because the reduction of \$90,000 in the Special Districts - Franchise Administration budget was inadvertently included in their 30% cost reduction plan. This \$90,000 represents an increase in anticipated growth in franchise fees revenue. This revenue is reflected in the new discretionary revenue discussed above rather than in the 30% cost reduction plan. The total local cost reduction implemented is \$10.5 million. The revised local cost reduction summary can be seen in Exhibit 3.

Due to County Policy, ongoing costs must be paid for by ongoing resources. Prior to this reduction, all known ongoing resources were allocated for all known ongoing costs. Therefore, \$10.5 million is the only ongoing resources available to address issues not included in the 2003-04 financing plan that could require the use of ongoing sources of revenue.

**BOARD OF SUPERVISORS
FINANCING PLAN FOR THE 2003-04 BUDGET
March 19, 2003
Page Ten**

ISSUES NOT ADDRESSED IN THE FINANCING PLAN

The following are issues that are not identified nor funded in the financing plan, including:

- State & Federal Budget Changes
- Retirement Issues for General Employees (Ventura II)
- High Desert Detention Center – Staffing and Utilities
- Employee Health Care Costs

Also not included in the plan at this time are the following potential one-time financing sources:

- Use of General Reserves
- Use of Most of the Specific Reserves

CONCLUSION

This report has identified \$77.7 million in new financing available and recommends \$48.3 million in base line budget adjustments for the purpose of issuing budget targets to county departments. The financing plan has a total of \$39.9 million available for further Board consideration, which includes the Level 1 local cost reduction that generated \$10.5 million in ongoing resources.

SUMMARY OF FINANCING PLAN (in millions)

	Ongoing	One-time	Total
Financing available	31.8	45.9	77.7
Base line adjustments	(31.8)	(16.5)	(48.3)
Level 1 Local Cost Reduction	<u>10.5</u>		<u>10.5</u>
Balance Available	10.5	29.4	39.9

The County Administrative Office will continue to monitor the state and federal budget process for fiscal impacts as well as continue to refine our own estimates of fund balance and revenues available for next fiscal year. This office will also incorporate into the plan any mid-year actions, which may take place during the remainder of this fiscal year. Based on the latest information, a revised financing plan will be submitted in the budget workbook that will be provided to the Board prior to the May budget workshops.

The May budget workshops will provide an opportunity to revisit an updated financing plan and to provide a review of individual department budget proposals. During the workshops the County Administrative Officer may receive additional Board direction on countywide policy or program issues towards further development of the 2003-04 budget.

EXHIBIT 1

<u>BEGINNING FINANCIAL POSITION (in millions)</u>	
	<u>General Fund</u>
Eliminate One-Time Financing Sources	
2002-03 Fund Balance	<u>(57.7)</u>
Total One Time Sources	(57.7)
Eliminate One-Time Financing Uses	
Contingencies	45.9
High Priority Policy Needs Rollover	1.6
Contribution to General Reserve	1.7
Subvention for Courts and Special Districts for 2410	0.9
Contribution to Equity Pool Reserve	2.0
Contribution to CIP	<u>6.6</u>
Total One Time Financing Uses	58.7
<hr/>	
2003-04 Beginning Financial Position	1.0

		<u>Annual Ongoing</u>
MID YEAR BOARD ACTIONS		
September 10, 2002	Expand Registered Sex Offender Program	(92,856)
October 1, 2002	District Attorney and Public Defender - Central Court Restructure	(1,286,368)
December 17, 2002	Probation Supervisor raises per re-opener MOU	(126,000)
December 17, 2002	Legislative Costs	(74,725)
January 28, 2003	Auditor/Controller-Recorder Direct Billing Services to Superior Court	345,000
February 11, 2003	Second Assistant District Attorney	(187,439)
February 25, 2003	Sheriff Dispatcher Raises due to lawsuit	(146,000)
Total		<u>(1,568,388)</u>

SUMMARY OF LOCAL COST REDUCTIONS										
	2002-03 2% Local Cost Reductions	2002-03 Prop. 172 Reductions	2002-03 Total Reductions	2002-03 Local Financing	2003-04 4% Local Cost Reductn	CAO Recomd Level 1 Reductions	% of CAO Recmd Redctn to Local Cost	2003-04 Total Local Cost Redctn	% of Local Cost Reductions	SB90 Reductions (No backfill)
ADMIN/EXEC GROUP										
BOARD OF SUPERVISORS	(86,472)	-	(86,472)	4,237,112	(169,484)	(500,000)	(11.8%)	(669,484)	(15.8%)	-
CLERK OF THE BOARD	(17,064)	-	(17,064)	836,118	(33,445)	(110,385)	(13.2%)	(143,830)	(17.2%)	-
COUNTY ADMINISTRATIVE OFFICE	(81,097)	-	(81,097)	4,176,978	(167,079)	(444,452)	(10.6%)	(611,531)	(14.6%)	(111,000)
COUNTY ADMINISTRATIVE OFFICE-LITIGATION	-	-	-	809,664	-	(409,664)	(50.6%)	(409,664)	(50.6%)	-
COUNTY ADMINISTRATIVE OFFICE-JOINT POWERS	-	-	-	23,068,480	-	-	0.0%	-	0.0%	-
COUNTY COUNSEL	(66,590)	-	(66,590)	3,262,891	(130,516)	(290,070)	(8.9%)	(420,586)	(12.9%)	-
HUMAN RESOURCES	(105,601)	-	(105,601)	5,174,453	(206,978)	(235,400)	(4.5%)	(442,378)	(8.5%)	-
HUMAN RESOURCES-UNEMPLOYMENT INSURANCE	-	-	-	1,500,000	-	-	0.0%	-	0.0%	-
INFORMATION SERVICES DEPT - APPLICATION	(134,058)	-	(134,058)	5,290,857	(211,634)	-	0.0%	(211,634)	(4.0%)	-
INFORMATION SERVICES DEPT - EMERGING	(4,904)	-	(4,904)	1,518,270	(60,731)	(95,697)	(6.3%)	(156,428)	(10.3%)	-
LOCAL AGENCY FORMATION COMMISSION	-	-	-	161,353	-	-	0.0%	-	0.0%	-
SCHOOL CLAIMS	-	-	-	1,186,804	-	-	0.0%	-	0.0%	-
SUPERINTENDENT OF SCHOOLS	-	-	-	282,224	-	-	0.0%	-	0.0%	-
ADMIN/EXEC GROUP SUBTOTAL	(495,786)	-	(495,786)	51,505,204	(979,867)	(2,085,668)	(4.0%)	(3,065,535)	(6.0%)	(111,000)
ECON DEVELOP/PUBLIC SERVICES GROUP										
AGRICULTURE, WEIGHTS & MEASURE	(33,035)	-	(33,035)	1,618,704	(64,748)	(109,845)	(6.8%)	(174,593)	(10.8%)	-
AIRPORTS	(1,179)	-	(1,179)	57,757	(2,310)	(16,634)	(28.8%)	(18,944)	(32.8%)	-
COUNTY MUSEUM	(28,464)	-	(28,464)	1,394,726	(55,789)	-	0.0%	(55,789)	(4.0%)	-
ECD - ECONOMIC PROMOTION	(17,516)	-	(17,516)	858,263	(34,331)	(56,431)	(6.6%)	(90,762)	(10.6%)	-
ECD - SMALL BUSINESS DEVELOPMENT	(3,856)	-	(3,856)	188,956	(7,558)	(47,681)	(25.2%)	(55,239)	(29.2%)	-
ECON DEVELOP/PUBLIC SERVICES GROUP ADMIN	(2,000)	-	(2,000)	98,000	(3,920)	(28,224)	(28.8%)	(32,144)	(32.8%)	-
LAND USE SERVICES DEPT - ADVANCE PLANNING	(54,715)	-	(54,715)	1,686,024	(67,441)	(396,544)	(23.5%)	(463,985)	(27.5%)	-
LAND USE SERVICES DEPT - BUILDING & SAFETY	(1,801)	-	(1,801)	88,230	(3,529)	(84,701)	(96.0%)	(88,230)	(100.0%)	-
LAND USE SERVICES DEPT - CODE ENFORCEMENT	(51,939)	-	(51,939)	2,544,994	(101,800)	(43,881)	(1.7%)	(145,681)	(5.7%)	-
PUBLIC WORKS - REGIONAL PARKS	(13,214)	-	(13,214)	647,495	(25,900)	(59,377)	(9.2%)	(85,277)	(13.2%)	-
REGISTRAR OF VOTERS	(55,519)	-	(55,519)	2,720,442	(108,818)	-	0.0%	(108,818)	(4.0%)	(300,000)
SPECIAL DISTRICTS - FRANCHISE ADMINISTRATION	(6,050)	-	(6,050)	296,432	(11,857)	-	0.0%	(11,857)	(4.0%)	-
SUBTOTAL	(269,288)	-	(269,288)	12,200,023	(488,001)	(843,318)	(6.9%)	(1,331,319)	(10.9%)	(300,000)
FISCAL GROUP										
ASSESSOR	(211,119)	-	(211,119)	10,344,827	(413,793)	-	0.0%	(413,793)	(4.0%)	-
AUDITOR/CONTROLLER-RECORDER	(78,672)	-	(78,672)	3,889,197	(155,568)	(1,208,109)	(31.1%)	(1,363,677)	(35.1%)	(200,000)
TREASURER-TAX COLLECTOR	(42,956)	-	(42,956)	2,113,285	(84,531)	(672,564)	(31.8%)	(757,095)	(35.8%)	(22,000)
FISCAL GROUP SUBTOTAL	(332,747)	-	(332,747)	16,347,309	(653,892)	(1,880,673)	(11.5%)	(2,534,565)	(15.5%)	(222,000)
HUMAN SERVICES SYSTEM										
AGING AND ADULT SERVICES	-	-	-	974,137	-	-	0.0%	-	0.0%	-
BEHAVIORAL HEALTH	-	-	-	1,842,753	-	-	0.0%	-	0.0%	-
BEHAVIORAL HEALTH-ALCOHOL & DRUG ABUSE	-	-	-	207,100	(8,284)	(49,358)	(23.8%)	(57,642)	(27.8%)	-
HEALTH CARE COSTS	-	-	-	17,700,000	-	-	0.0%	-	0.0%	-
HUMAN SERVICES ADMINISTRATIVE CLAIM	(259,967)	-	(259,967)	11,764,243	(1,313,630)	(2,411,027)	(20.5%)	(3,724,657)	(31.7%)	-
HSS SUBSISTENCE-CALWORKS-FAMILY GROUP	-	-	-	4,634,906	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-KIN-GAP PROGRAM	-	-	-	375,327	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-AFDC-FOSTER CARE	-	-	-	13,504,069	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-CALWORKS-UNEMPLOYMENT	-	-	-	566,101	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-AID TO SERIOUS EMOTIONALLY	-	-	-	631,346	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-AID TO ADOPTIVE CHILDREN	-	-	-	927,221	-	-	0.0%	-	0.0%	-
HSS SUBSISTENCE-CHILDREN'S OUT OF HOME CARE	-	-	-	437,521	-	-	0.0%	-	0.0%	-
HSS-AID TO INDIGENTS	-	-	-	1,344,571	-	-	0.0%	-	0.0%	-
PUBLIC HEALTH	(13,353)	-	(13,353)	654,320	(26,173)	(139,750)	(21.4%)	(165,923)	(25.4%)	-
PUBLIC HEALTH-CALIFORNIA CHILDREN'S SERVICES	-	-	-	1,538,041	-	-	0.0%	-	0.0%	-
PUBLIC HEALTH-INDIGENT AMBULANCE	-	-	-	472,501	-	-	0.0%	-	0.0%	-
VETERANS AFFAIRS	(17,229)	-	(17,229)	844,218	(33,769)	(6,997)	(0.8%)	(40,766)	(4.8%)	-
HUMAN SERVICES SYSTEM SUBTOTAL	(290,549)	-	(290,549)	58,418,375	(1,381,856)	(2,607,132)	(4.5%)	(3,988,988)	(6.8%)	-

SUMMARY OF LOCAL COST REDUCTIONS										
	2002-03 2% Local Cost Reductions	2002-03 Prop. 172 Reductions	2002-03 Total Reductions	2002-03 Local Financing	2003-04 4% Local Cost Reductn	CAO Recomd Level 1 Reductions	% of CAO Recmd Redctn to Local Cost	2003-04 Total Local Cost Redctn	% of Local Cost Reductions	SB90 Reductions (No backfill)
INTERNAL SERVICES GROUP										
ARCHITECTURE & ENGINEERING	(13,063)	-	(13,063)	640,063	(25,603)	(10,000)	(1.6%)	(35,603)	(5.6%)	-
FACILITIES MANAGEMENT ADMINISTRATION	(7,310)	-	(7,310)	344,105	-	(10,741)	(3.1%)	(10,741)	(3.1%)	-
FACILITIES MANAGEMENT - CUSTODIAL	(32,789)	-	(32,789)	1,694,680	(71,295)	(146,445)	(8.6%)	(217,740)	(12.8%)	-
FACILITIES MANAGEMENT - GROUNDS	(17,219)	-	(17,219)	841,765	(40,649)	(94,258)	(11.2%)	(134,907)	(16.0%)	-
FACILITIES MANAGEMENT - MAINTENANCE	(74,697)	-	(74,697)	3,751,422	(153,335)	(4,800)	(0.1%)	(158,135)	(4.2%)	-
FACILITIES MANAGEMENT - UTILITIES	-	-	-	14,503,536	-	-	0.0%	-	0.0%	-
PURCHASING	(23,097)	-	(23,097)	716,602	(45,424)	(80,600)	(11.2%)	(126,024)	(17.6%)	-
REAL ESTATE SERVICES	(14,625)	-	(14,625)	1,135,594	(28,664)	(111,100)	(9.8%)	(139,764)	(12.3%)	-
REAL ESTATE SERVICES - RENTS	-	-	-	712,498	-	-	0.0%	-	0.0%	-
INTERNAL SERVICES GROUP SUBTOTAL	(182,800)	-	(182,800)	24,340,265	(364,970)	(457,944)	(1.9%)	(822,914)	(3.4%)	-
LAW & JUSTICE GROUP										
COUNTY TRIAL COURTS-GRAND JURY	(6,146)	-	(6,146)	301,148	(12,046)	(86,730)	(28.8%)	(98,776)	(32.8%)	-
COUNTY TRIAL COURTS-INDIGENT DEFENSE	(196,225)	-	(196,225)	9,615,047	(384,602)	(10,000)	(0.1%)	(394,602)	(4.1%)	-
COUNTY TRIAL COURTS-JUDICIAL	(2,900)	-	(2,900)	1,806,975	(25,000)	-	0.0%	(25,000)	(1.4%)	-
COUNTY TRIAL COURTS-MAINTENANCE OF EFFORT	-	-	-	10,131,014	-	-	0.0%	-	0.0%	-
DISTRICT ATTORNEY	-	(600,000)	(600,000)	9,908,554	(396,342)	-	0.0%	(396,342)	(4.0%)	-
LAW AND JUSTICE ADMINISTRATION	(1,328)	-	(1,328)	65,080	(2,603)	(4,000)	(6.1%)	(6,603)	(10.1%)	-
PROBATION - ADMIN/COMMUNITY CORRECTIONS	-	(433,810)	(433,810)	10,559,986	(843,282)	(60,000)	(0.6%)	(903,282)	(8.6%)	-
PROBATION - COURT ORDERED PLACEMENTS	-	-	-	8,329,483	(446,600)	-	0.0%	(446,600)	(5.4%)	-
PROBATION - PRETRIAL DETENTION	-	-	-	480,982	-	-	0.0%	-	0.0%	-
PROBATION - INSTITUTIONS	-	(266,190)	(266,190)	21,831,110	(25,000)	(243,337)	(1.1%)	(268,337)	(1.2%)	-
PUB ADMNST/CORONER/GUARD/CONSV	(84,528)	-	(84,528)	4,141,894	(165,676)	(233,965)	(5.6%)	(399,641)	(9.6%)	-
PUBLIC DEFENDER	-	-	-	16,603,599	(332,072)	-	0.0%	(332,072)	(2.0%)	-
SHERIFF	-	(1,500,000)	(1,500,000)	84,956,126	(2,038,245)	(1,750,000)	(2.1%)	(3,788,245)	(4.5%)	(50,000)
LAW & JUSTICE GROUP SUBTOTAL	(291,127)	(2,800,000)	(3,091,127)	178,730,998	(4,671,468)	(2,388,032)	(1.3%)	(7,059,500)	(3.9%)	(50,000)
TOTAL	(1,862,297)	(2,800,000)	(4,662,297)	341,542,174	(8,540,054)	(10,262,767)	(3.0%)	(18,802,821)	(5.5%)	(683,000)
COUNTY FIRE/COUNTY LIBRARY SUBVENTIONS										
COUNTY FIRE - OFFICE OF EMERGENCY SERVICES	-	-	-	846,710	(44,668)	(119,095)	(14.1%)	(163,763)	(19.3%)	-
COUNTY FIRE	-	-	-	1,430,000	(46,433)	(100,000)	(7.0%)	(146,433)	(10.2%)	-
COUNTY LIBRARY	-	-	-	300,000	(12,000)	-	0.0%	(12,000)	(4.0%)	-
CO. FIRE/LIBRARY SUBVENTIONS SUBTOTAL	-	-	-	2,576,710	(103,101)	(219,095)	(8.5%)	(322,196)	(12.5%)	-
GRAND TOTAL	(1,862,297)	(2,800,000)	(4,662,297)	344,118,884	(8,643,155)	(10,481,862)	(3.0%)	(19,125,017)	(5.6%)	(683,000)

**SUMMARY OF POLICY ITEMS
VACANT BUDGETED POSITION RESTORATION**

DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.	CAO RECOMMEND
<u>ADMINISTRATIVE/EXECUTIVE GROUP</u>							
Human Resources	114,751	-	114,751	1.0	Restore position for EEO.	1-5-7	
	257,119	154,379	102,740	3.0	Restore positions for Employee Relations.	1-5-8	
	32,002	-	32,002	1.0	Restore position for CSW/Suggestion Awards.	1-5-9	Yes
Risk Management	32,002	-	32,002	1.0	Restore position for the EMS program.	1-5-31	Yes
Information Services- ETD	80,996		80,996	1.0	Restore position for the security projects and HIPAA.	1-6-13	
<u>FISCAL GROUP</u>							
Auditor/Controller-Recorder	284,134	284,134	-	7.4	Restore vacant positions needed for customer service.	4-2-9	2.0 Data Entry Operator
	253,929	79,171	174,758	4.0	Restore vacant positions needed for Internal Audits.	4-2-10	
	129,735		129,735	2.1	Restore vacant positions needed for contract administration and monitoring.	4-2-12	
	31,552	11,722	19,830	1.2	Restore Accounting Intern (seasonal) positions.	4-2-13	Yes
Treasurer-Tax Collector	67,238	67,238	-	1.0	Restore vacant position needed for internal controls.	4-3-8	Yes
	67,238	67,238	-	1.0	Restore vacant position needed for Admin. Support.	4-3-9	
	32,002	32,002	-	1.0	Restore vacant position needed for Tax sales.	4-3-11	Yes
	17,514	17,514	-	1.0	Restore vacant (seasonal) position needed for seasonal workloads.	4-3-12	Yes
Treasurer-Central Collections	76,651	76,651	-	1.5	Restore vacant positions need for System Support for New Legislative Programs.	4-3-19	
	74,254	74,254	-	4.0	Restore vacant positions need for Collections Support positions.	4-3-21	Yes
<u>INTERNAL SERVICES GROUP</u>							
Real Estate Services	182,470	182,470	-	2.0	Restore Real Property Agent III positions.	3-5-7	Yes
Architecture & Engineering	148,604	148,604	-	2.0	Restore positions for program management of CIP projects.	3-1-7	
Facilities Management: Grounds	72,338	72,338	-	2.0	Restore grounds positions for landscape maintenance at ARMC.	3-2-13	Yes
Home Repair	44,532	44,532	-	1.0	Restore position for Home Repair Program.	3-2-19	Yes
Maintenance	70,367	70,367	-	1.0	Restore position to supervise minor CIP projects.	3-2-26	Yes

**SUMMARY OF POLICY ITEMS
VACANT BUDGETED POSITION RESTORATION**

DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.	CAO RECOMMEND
<u>HUMAN SERVICES SYSTEM</u>							
Aging & Adult Services (Aging)	148,676	148,676	-	10.1	Restore vacant contract positions needed for the Senior Employment program.	7-1-9	Yes
	13,956	13,956	-	0.5	Restore vacant contract position needed for Ombudsman program.	7-1-9	Yes
Alcohol and Drug	352,815	352,815	-	7.8	Restore Alcohol and Drug Clinical operations staff.	7-3-18	Yes
Behavioral Health	101,572	101,572	-	1.8	Restore administrative support staff.	7-3-11	
	545,750	545,750	-	4.6	Restore Mental Health Clinical operations staff.	7-3-10	Yes
Child Support Services	73,524	73,524	-	1.0	Restore vacant position needed for incumbent temporarily assigned to vacant higher position.	7-4-8	Yes
California Children's Services	60,462	45,346	15,116	1.3	Restore 2 therapist positions.	7-8-38	Yes
	637,632	588,404	49,228	11.5	Restore case management positions.	7-8-40	Yes
Public Health	273,434	273,434	-	4.6	Restore Bio-Terrorism and Laboratory positions.	7-8-13	Yes
	32,552	32,552	-	0.8	Restore Clerk III for the Vital Statistical group.	7-8-15	Yes
	54,930	54,930	-	0.8	Restore PH veterinarian.	7-8-16	Yes
	52,808	-	52,808	1.6	Restore Devore Animal Shelter positions.	7-8-18	Yes
	98,664	98,664	-	1.6	Restore Emergency Medical Services Nurses.	7-8-18	Yes
	37,395	37,395	-	1.0	Restore Animal Control Officer.	7-8-20	Yes
	50,363	50,363	-	1.2	Restore and approve new positions for the WIC program.	7-8-21	Yes
	64,077	64,077	-	0.8	Restore positions for the Environmental Health program.	7-8-23	Yes
	6,008	6,008	-	0.3	Restore positions for the Child Health program.	7-8-25	Yes
	121,209	121,209	-	2.4	Restore Health Education positions.	7-8-26	Yes
	93,791	93,791	-	1.6	Restore AIDS Planning Council support staff.	7-8-28	Yes
	-	-	-	12.0	Restore vacant positions needed to correct underfill situations in several HSS departments.	7-6-18	Yes
HSS Administrative Claim (Transitional Assistance, Children's Services, Adult Services, PERC, ITSD, Support Divisions)	206,238	206,238	-	3.0	Restore vacant positions needed to transfer three additional positions from JESD.	7-6-19	Yes
	18,868	18,868	-	2.0	Restore vacant positions for reclassifications needed in HSS Administration and DCS.	7-6-20	Yes
	116,150	116,150	-	2.0	Restore vacant positions needed in PERC.	7-6-21	Yes
	156,874	156,874	-	1.0	Restore vacant position needed for incumbent temporarily assigned to vacant higher position at CAO office.	7-6-22	Yes

**SUMMARY OF POLICY ITEMS
VACANT BUDGETED POSITION RESTORATION**

	DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.	CAO RECOMMEND
	<u>HUMAN SERVICES SYSTEM (Continued)</u>							
	Arrowhead Regional Medical Center	5,205,469	5,205,469	-	87.6	Restore nursing/patient care positions.	7-2-26	Yes
		1,986,318	1,986,318	-	38.1	Restore patient care positions.	7-2-28	Yes
		366,455	366,455	-	11.9	Restore Ward Clerks.	7-2-30	
		236,746	236,746	-	4.6	Restore Accredited Records (Billing Coders).	7-2-33	
		302,657	302,657	-	8.1	Restore Nutritional Services positions.	7-2-31	Yes
		368,274	368,274	-	6.0	Restore Information Systems positions.	7-2-34	
		301,728	301,728	-	8.0	Restore Environmental Services positions.	7-2-35	
		61,685	61,685	-	1.0	Restore Facilities Management position.	7-2-36	
		1,394,525	1,394,525	-	36.8	Restore clerical support positions.	7-2-37	
		78,729	78,729	-	1.0	Restore Compliance Educator.	7-2-38	
		108,164	108,164	-	3.0	Restore security positions.	7-2-39	
	<u>LAW & JUSTICE GROUP</u>							
	District Attorney	90,668	-	90,668	0.8	Restore Deputy District Attorney IV.	5-2-9	
		28,568	-	28,568	0.8	Restore Clerk III.	5-2-10	
3	Probation							
	Admin & Comm Corrections (PRB)	993,081	302,900	690,181	15.0	Restore Probation Officers, Clerks, and Director.	5-4-9	
	Detention Corrections (PRN)	1,502,876	220,635	1,282,241	25.0	Restore Corrections Officers, Supervisors, and Night Custody Officers.	5-4-25	
	Assembly Bill 1913 (PRG)	139,021	139,021	-	3.0	Restore Corrections Officers and Clerk.	5-4-36	
	Sheriff	142,718	142,718	-	3.0	Restore 1.0 Criminalist - CAL-DNA grant; 1.0 PSE and 1.0 Social Worker - IWF.	5-7-13	Yes
		499,218	-	499,218	12.9	Restore multiple vacant budgeted positions not in recruitment.	5-7-14	
	<u>ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP</u>							
	Economic & Community Dev	32,002	32,002	-	1.0	Clerk II to process Homeownership Assistance Program requests.	6-6-8	Yes
	Jobs and Employment Department	66,497	66,497	-	1.0	Employment Services Manager helps to oversee the Job Development and Job Placement Programs.	6-7-8	Yes

**SUMMARY OF POLICY ITEMS
VACANT BUDGETED POSITION RESTORATION**

POLICY ITEMS

DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.	CAO RECOMMEND
<u>ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP (Continued)</u>							
Land Use Services	49,504	49,504	49,504	1.0	Advanced Planning Division-GIS Technician for automation support of the General Plan Update. If approved to be funded from General Plan Update fund.	6-8-19	Yes
	98,044	98,044	-	1.2	Building and Safety Division-Building & Safety Engineer and Building Inspector II for processing building permits.	6-8-26	Yes
	111,179	111,179	-	2.0	Code Enforcement Division-Land Use Technician and Planner III for processing land use applications from the public.	6-8-12	Yes
	36,948	36,948	-	1.0	Fire Hazard Abatement Division-Code Enforcement Field Assistant to perform abatements for public nuisance and fire hazards.	6-8-37	Yes
Library	45,900	45,900	-	1.0	Librarian I to manage the LITE Program.	6-4-9	Yes
	41,752	41,752	-	1.0	Library Associate for the new Serrano H.S. Library.	6-4-9	Yes
	61,510	61,510	-	1.0	Library Program Coordinator to supervise the Collection Services/Adult Services unit.	6-4-9	
Public Works	197,389	197,389	-	4.0	Restoration of positions in the Design and Right-of-Way Sections needed due to workload demands.	6-9-55	Yes
	57,143	57,143	-	1.5	Seasonal workers needed during winter months for storm maintenance and snow removal.	6-9-55	Yes
	125,527	125,527	-	1.5	Contract employees for High Desert Corridor Proj.	6-9-55	Yes
	53,971	53,971	-	1.0	Position needed to plan road projects and prepare cooperative agreements with other agencies.	6-9-55	Yes
Registrar of Voters	102,760	-	102,760	4.4	Restore vacant positions needed for the election process.	6-10-7	Yes
TOTAL	<u>20,274,202</u>	<u>16,776,600</u>	<u>3,547,106</u>	<u>403.7</u>			

SUMMARY OF POLICY ITEMS WORKLOAD AND PROGRAM CHANGES

DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.
<u>ADMINISTRATIVE/EXECUTIVE GROUP</u>						
Clerk of the Board	80,540	-	80,540	1.0	Restore Chief Deputy Clerk of the Board position that was deleted by the 30% Cost Reduction Plan.	1-2-5
<u>FISCAL GROUP</u>						
Assessor	370,574		370,574	6.0	Reinstate positions that were deleted during the 4% Spend Down Plan.	4-1-6
Assessor - RCS	225,000		225,000		Restore for postage and printing cost to compensate for diminished funds available for services and supplies due to increased MOU.	4-1-12
<u>INTERNAL SERVICES GROUP</u>						
Facilities Management-Utilities	64,380	-	-	1.0	Add position to administer utilities cost and usage.	3-2-35
<u>LAW & JUSTICE GROUP</u>						
District Attorney	288,838	-	288,838	2.0	1.0 DDA IV and 1.0 DA Investigator to establish Identity Theft Crime Unit.	5-2-11
Probation						
Admin & Comm. Corrections (PRB)	1,485,900		1,485,900	14.0	Adult Sex Offender Program	5-4-12
PA/Guardian/Conservator/Coroner	527,219	-	527,219	10.0	Body removal services.	5-5-7
	129,425	-	129,425	1.0	Inventory system-decedent/estate assets.	5-5-8
	56,000	-	56,000	1.0	Automated Systems Analyst position.	5-5-9
	77,567	-	77,567	1.5	Restore Coroner positions deleted in 2000-01 and 2001-02.	5-5-10
	62,212	31,106	31,106	1.0	Additional Dep Public Guardian position.	5-5-11
	68,532	34,266	34,266	1.0	Additional Supv Dep Public Guardian psn.	5-5-12
	387,835	-	387,835	5.0	Additional Deputy Coroner positions.	5-5-13
Public Defender	402,855	-	402,855	3.0	Mentally Disabled Offender	5-6-7
Sheriff	843,285	-	843,285	12.0	Funding for technical staff - 1 yr obligation after COPSMORE funding.	5-7-15
	714,000	-	714,000	12.0	Funding for technical staff - continued local cost funding for previous COPSMORE funded positions.	5-7-16
	280,000	-	280,000	0.0	Local Cost backfill to replace anticipated loss in POST revenues.	5-7-17
TOTAL	6,064,162	65,372	5,934,410	71.5		

**SUMMARY OF POLICY ITEMS
OTHER AGENCY**

DEPARTMENT	APPROP	REVENUE	LOCAL COST	BUDGETED STAFFING	DESCRIPTION	PAGE NO.
<u>County Fire</u>						
	1,317,000	-	1,317,000	Various	Fire Seasonal Supplemental Appropriation	8-5-1
	1,750,000	-	1,750,000	15.0	Baker Fire Station- new facility and 04/05 staffing	8-5-7
TOTAL	<u>3,067,000</u>	<u>-</u>	<u>3,067,000</u>			

APPROPRIATIONS SUMMARY

The 2003-04 departmental proposed budget includes appropriations of \$2,606,286,937, an increase of \$36,174,422 or 1.41% over a restated 2002-03 final budget. The restatement of 2002-03 appropriations is the result of previously including the Redevelopment and In-Home Supportive Services budget units in the county summary. These budget units, which are considered other agency funds, are now reported separate from the county budget.

	Restated Final 2002-03	Departmental Proposed 2003-04	Change	Percentage Change
Countywide Operations				
Admin/Exec Group	45,994,239	42,298,675	(3,695,564)	(8.03%)
Contingencies	48,516,783	55,698,444	7,181,661	14.80%
ED/Public Services Group	41,860,977	43,467,751	1,606,774	3.84%
Fiscal Group	35,952,915	38,784,051	2,831,136	7.87%
Human Services System	1,125,855,387	1,110,617,131	(15,238,256)	(1.35%)
Internal Services Group	32,428,987	32,740,960	311,973	0.96%
Law & Justice Group	422,878,079	450,685,255	27,807,176	6.58%
Total General Fund	1,753,487,367	1,774,292,267	20,804,900	1.19%
Capital Projects & Debt Service	142,431,154	113,213,202	(29,217,952)	(20.51%)
Special Revenue Funds	326,280,313	333,193,547	6,913,234	2.12%
Subtotal	2,222,198,834	2,220,699,016	(1,499,818)	(0.07%)
Enterprise Funds				
Arrowhead Regional Medical Ctr	238,391,803	256,488,675	18,096,872	7.59%
Medical Center Lease Payment	53,115,289	53,158,112	42,823	0.08%
County Museum Store	154,789	132,448	(22,341)	(14.43%)
Ultrascreen Theatre	4,000	0	(4,000)	(100.00%)
Regional Parks Snackbars	86,262	71,129	(15,133)	(17.54%)
Solid Waste Management	56,161,538	75,737,557	19,576,019	34.86%
Subtotal	347,913,681	385,587,921	37,674,240	10.83%
Total Countywide Funds	2,570,112,515	2,606,286,937	36,174,422	1.41%

Countywide Operations

Countywide operations show an increase in appropriations of \$20,804,900. The most significant increase is in the Law and Justice Group, however, each group is discussed below.

The Admin/Exec Group shows a net decrease due to reductions in the litigation, the systems development, and the employee health and wellness budget units. These decreases are offset by increases in the school claims budget unit, due to the consolidation of costs previously accounted for in various budget units, and increased unemployment insurance costs.

The appropriation for contingencies includes the amount set aside per county policy (1.5% of locally funded appropriations), which is \$5.2 million. The other component of contingencies consists of unallocated financing available to the Board for distribution.

The Economic Development/Public Service Group shows a net increase mainly attributed to increases in the Registrar of Voters budget unit, as the result of an additional election occurring in 2003-04, and the Building and Safety budget unit due to an anticipated increase in workload and new projects. The most significant decrease anticipated is reflected in the County Museum budget unit due to an expected decrease in research projects.

Within the Fiscal Group, all budget units are expected to experience an increase. The most significant increase is reflected in Central Collections budget unit as a result of anticipated increases in collection activities.

The Human Services System decreased due to staffing reductions and reduced services, supplies and equipment costs. These decreases are offset by increases related to MOU, retirement, and risk management costs, as well as increases in in-home supportive service provider costs, and caseload increases in foster care, aid to adoptive children, seriously emotionally disturbed children, and childcare. Additionally, the Behavioral Health budget unit also anticipates increased costs due to contract services with Arrowhead Regional Medical Center and outside contractors.

The Internal Services group shows a slight increase from the previous budget year. While most of the budget units within this group experienced decreases, the utilities budget increased significantly due to anticipated increases in utility costs.

The Law and Justice group increase is mainly in the Sheriff, District Attorney, and Probation budget units. The increase costs to these budget units are the direct result of increased safety MOU/retirement, specifically the retirement benefit known as 3% at 50.

Capital Projects and Debt Service

Capital Projects and Debt Service appropriations decreased \$29,217,952 primarily due to a \$21.3 million reduction in Capital Improvement Projects appropriations, which is the result of the completion of several projects, including the West Valley Juvenile Detention Center and the major phases of the Etiwanda Interchange Improvement Project. Furthermore, Debt Service decreased \$7.0 million due to the elimination of a one-time prepayment of \$3.2 million of the Glen Helen taxable debt, annual debt service savings resulting from that prepayment, current year savings from the refinancing of the West Valley Detention Center, and other minor changes in debt service schedules and costs.

Capital Improvement Projects appropriations decreased to approximately \$89.9 million in 2003-04. The \$89.9 million is composed of \$83.5 of carry over projects, including \$19.0 million in appropriations budgeted for the High Desert Detention Center and \$6.3 million budgeted for new projects.

Special Revenue Funds

Special Revenue funds increased \$6,913,234 mainly due to increases in the Economic and Community Development budget units of Neighborhood Initiative, Community Development Block Grant, and general administration. In Transportation, appropriation increases are anticipated in the operations and the equipment budget units due to the Highway Bridge and Restoration projects, the installation of passing lanes for the National Trails Highway in the Oro Grande area, and replacement of aging equipment. Decreased appropriations are reflected in the Sheriff COPSMORE budget unit and the Transportation Measure I budget units due to the completion of several large projects. The Jobs and Employment Services Department budget unit also reflects decreases due to a reorganization of the department coupled with a decrease in the Workforce Investment Act funding.

Enterprise Funds

The increase in Arrowhead Regional Medical Center reflects increased salary and benefit costs and a 4% increase in emergency room and outpatient visits. Medical Center Lease Payments increased slightly, reflecting the increases in net lease payments and trustee/administrative fees.

There are no appropriations associated with the UltraScreen Theatre budget as this fund has been closed due to the final sale of the remaining equipment.

Solid Waste Management appropriations have been increased as a result of a variety of new projects scheduled for 2003-04, increases in tonnage at the landfills, and Bark Beetle related costs.

REVENUE SUMMARY

The 2003-04 county budget is financed from a variety of sources, which are listed below. As with the appropriation summary, revenues for 2002-03 were restated to exclude the Redevelopment and In-Home Support Services budget units. In addition, an adjustment to the Solid Waste Management 2002-03 revenue figure eliminated bond proceeds from revenues, as these proceeds are considered other financing not revenues generated from operations.

	Restated Final 2002-03	Departmental Proposed 2003-04	Change	Percentage Change
REVENUES FOR ALL COUNTY FUNDS (Excluding Enterprise Funds)				
Property Taxes	127,697,750	136,148,669	8,450,919	6.62%
Other Taxes	128,926,083	141,336,832	12,410,749	9.63%
State and Federal Aid	1,354,820,627	1,338,716,078	(16,104,549)	(1.19%)
Charges for Current Services	305,385,527	316,872,091	11,486,564	3.76%
Other Revenue	<u>118,915,297</u>	<u>108,448,823</u>	<u>(10,466,474)</u>	<u>(8.80%)</u>
Subtotal	2,035,745,284	2,041,522,493	5,777,209	0.28%
ENTERPRISE FUNDS				
Arrowhead Regional Medical Ctr	246,621,803	263,888,675	17,266,872	7.00%
Medical Center Lease Payment	24,466,969	24,484,009	17,040	0.07%
County Museum Store	159,000	148,400	(10,600)	(6.67%)
UltraScreen Theatre	7,000	0	(7,000)	(100.00%)
Regional Parks Snackbars	103,500	76,600	(26,900)	(25.99%)
Solid Waste Management	<u>52,062,043</u>	<u>48,680,074</u>	<u>(3,381,969)</u>	<u>(6.50%)</u>
Subtotal	323,420,315	337,277,758	13,857,443	4.28%
Total County Budget	2,359,165,599	2,378,800,251	19,634,652	0.83%

Property tax revenue increased based on higher than projected assessed valuation growth in 2002-03 combined with an estimated increase in assessed valuation of 8% in 2003-04.

Other taxes are increased due to an anticipated increase in Prop 172 sales tax. The 2003-04 budget also estimates a 6.2% increase in sales tax from 2002-03 projected actuals for sales tax generated in the unincorporated area of the county. Property Trans Tax and Supplemental Property Taxes are increased to reflect rising home prices and sales volume.

The most significant decrease in revenues is reflected in the revenue category of state and federal aid. This decrease is due to considerable reductions in health and welfare administration offset by increases in aid for children due to changes in program caseloads. Further reductions in this category include the elimination of SB 90 revenues as the state has temporarily discontinued its reimbursement of mandates programs. Decreases are also expected in the law and justice area, which includes reductions associated with the COPSMORE grant and the Challenge Grant II. These decreases were offset by an increase in the U.S. Marshall contract revenues due to the increase in costs associated with the safety MOU/retirement and increases in prescription medication costs.

Funding related to state and federal capital grants has decreased overall due to the completion of various projects, including the West Valley Juvenile Detention facility and the major phases of the Etiwanda Interchange Improvement Project. These decreases were offset by an increase in airport projects, transportation highway projects, and a renovation project of the boat docks at Park Moabi. Additionally, anticipated increases in revenues are expected from Proposition 40, River Parkway Funding, for the Santa Ana River Trail, as well as revenues from the U.S. Army for perimeter fencing at the Barstow-Daggett airport.

Realignment vehicle license fee (VLF) revenues for health, welfare and Behavioral Health are also estimated to increase. Additionally, the non-realignment portion of vehicle license fees is expected to grow 3.7% over current year-end estimates. These estimates assume the entire VLF backfill from the state.

Charges for current services are expected to increase from 2002-03 budget year. The most significant increases in departmental business activity consist of \$4.2 million in law enforcement services, which are a result of safety MOU/retirement increases, \$3.3 million in indirect cost reimbursement (COWCAP) due to increased costs mainly in salaries and benefits, \$1.6 million attributed to an expected increase in the recording fees of legal documents, \$1.4 million in election services due to the addition of one election in 2003-04, and \$1.4 million increase related to property tax administration fee due to growth in supplemental assessments. In addition, minor increases, which total approximately \$4.2 million, occurred in various programs. Significant decreases are expected in health service fees, of which \$4.2 million is due to the loss of the First Five grant revenue in Public Health for the "Early Steps" and "The Earlier, the Better" programs, an anticipated decrease of \$1.9 million in Information Services revenues, and \$1.0 million decrease in the County Museum due to fewer research projects. Additionally, charges for current services reflects a \$6.1 million decrease due to the reclassification of revenue as reimbursement as required by GASB 34 and a \$8.5 million increase due to the reclassification of other revenue to charges for current services.

Other revenues include licenses, permits, franchises, fines and penalties, interest earnings, and tobacco settlement funds. The majority of the decrease reflected in this category of revenue is due to the reclassification of \$5.4 million from other revenue into current services, as well as the reclassification of \$5.5 million from other revenue to reimbursements and other financing sources, as required by GASB 34. Other anticipated decreases include \$2.7 million in tobacco settlement proceeds and \$2.1 million in interest earnings. These decreases were offset by increases in grants received by Transitional Assistance and Children's Services, the addition of a new civil filing fee for the seismic courthouse retrofit, increases in housing sales for the Neighborhood Initiative Program, and expected increases in building construction permits.

Arrowhead Regional Medical Center revenues are expected to grow due to volume increases and anticipated fee increases. This growth is reflected in insurance, private pay, Medi-Cal, and Medicare revenues.

Anticipated slight increase in revenue for the medical center lease payment fund represents state payments from the Construction Renovation/Reimbursement Program (SB 1732).

There are no proposed revenues for the UltraScreen Theatre as the only revenue associated with this fund last year was interest revenue. Since the fund has been closed, the remaining cash was transferred to the general fund.

Solid Waste Management revenues decreased \$3.4 million as a result of \$6.0 million in prior year revenues not being re-budgeted, coupled with an increase of \$1.8 million from additional tonnage accepted at the county landfill and transfer stations and an increase of \$0.8 million from a Federal Emergency Management Agency grant related to the Bark Beetle infestation.

BUDGETED STAFFING SUMMARY

Increase from Previous Year

	<u>Restated 2002-03 Staffing</u>	<u>Caseload Driven/ Grant or Special Funded Programs</u>	<u>All Other Programs</u>	<u>Total Change</u>	<u>2003-04 Staffing</u>	<u>Percentage Change</u>
General Fund	13,789.1	(1,355.6)	(93.7)	(1,449.3)	12,339.8	-10.5%
Other Funds	<u>4,386.4</u>	<u>(80.5)</u>	<u>0.0</u>	<u>(80.5)</u>	<u>4,305.9</u>	-1.8%
Total	18,175.5	(1,436.1)	(93.7)	(1,529.8)	16,645.7	

The decrease in caseload driven/grant or special funded programs includes the following significant changes:

General Fund

- Human Services System (HSS) Administrative Claim budgeted staffing is decreased by 986.4 to reflect the November 5, 2002 reduction of 233.6 and an additional reduction of 752.8 in 2003-04. Of the 986.4 included in the total reduction, 711.1 are in the Transitional Assistance Department, 58.0 are in the Department of Children's Services, 61.3 are in the Department of Aging and Adult Services, and 156.0 are in HSS Administration.
- Behavioral Health budgeted staffing is decreased by 46.1 as part of the Department's plan to reduce use of Realignment funding.
- Child Support Services budgeted staffing is decreased by 84.7, which is due to reductions in program funding and the elimination of vacant budgeted positions and all extra help positions.
- Public Health budgeted staffing is decreased by 179.5. Base year and mid-year increases totaling 1.9 budgeted staff are offset by program staffing reductions of 181.4, which include decreases in the Maternal Health program (67.4), Perinatal and Adolescent Life program (33.9), Child Health (8.9), Family Planning (3.5), Aging (17.0), the Field Nursing program (17.5), and various other programs (33.2).

Other Funds

- Preschool Services Department budgeted staffing is decreased by 76.6. This net reduction is a result of a 14.7 increase due to site expansion, a 6.2 increase due to support staff workload increases, a 69.7 reduction due to the deletion of vacant positions, a reduction of 41.4 due to work hours reduction for part-day teachers from eight to six hours per day, and the elimination of 13.6 vacancy factor.
- Sheriff's budgeted staffing includes a reduction of 8.0 technical positions for which COPSMORE funding is no longer available.

The decrease in other programs budgeted staffing includes the following:

- Budgeted staffing in the Internal Services Group is decreased by 19.1. Facilities Management staffing is decreased by 16.0; Purchasing by 1.1; and Real Estate Services by 2.0.
- County Museum budgeted staffing is decreased by 25.2 due to implementation of the 4% Spend Down Plan, decreased revenues related to research projects, and the deletion of vacant positions.

Countywide staffing changes are outlined by county department in the following chart:

BUDGETED STAFFING SUMMARY

Department	2002-03 Final Budget	2003-04 Departmental Proposed	Change
ADMINISTRATIVE/EXECUTIVE GROUP			
<u>GENERAL FUND</u>			
BOARD OF SUPERVISORS	39.8	39.5	(0.3)
LEGISLATION	0.0	1.0	1.0
CLERK OF THE BOARD	15.0	13.0	(2.0)
COUNTY ADMINISTRATIVE OFFICE	33.5	27.0	(6.5)
COUNTY COUNSEL	71.0	65.7	(5.3)
HUMAN RESOURCES	129.8	125.5	(4.3)
HUMAN RESOURCES - EMPLOYEE HEALTH & WELLNESS	13.8	13.0	(0.8)
INFORMATION SERVICES - APPLICATIONS DEVELOPMENT	101.3	94.8	(6.5)
INFORMATION SERVICES - EMERGING TECHNOLOGIES	19.1	17.2	(1.9)
INFORMATION SERVICES - GIMS	0.0	0.0	0.0
SUBTOTAL GENERAL FUND	423.3	396.7	(26.6)
<u>OTHER FUNDS</u>			
HUMAN RESOURCES - COMMUTER SERVICES	4.0	3.5	(0.5)
HUMAN RESOURCES - RISK MANAGEMENT	65.0	65.0	0.0
INFORMATION SERVICES - COMPUTER OPERATIONS	154.4	129.9	(24.5)
INFORMATION SERVICES - NETWORK SERVICES	110.1	102.2	(7.9)
SUBTOTAL OTHER FUNDS	333.5	300.6	(32.9)
TOTAL ADMINISTRATIVE/EXECUTIVE GROUP	756.8	697.3	(59.5)
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP			
<u>GENERAL FUND</u>			
AGRICULTURE/WEIGHTS & MEASURES	72.7	64.5	(8.2)
AIRPORTS	28.9	28.9	0.0
COUNTY MUSEUM	77.7	52.5	(25.2)
ECD - ECONOMIC PROMOTION	2.0	2.0	0.0
ECD - SMALL BUSINESS DEVELOPMENT	4.0	4.0	0.0
ED/PUBLIC SERVICES GROUP	20.5	17.0	(3.5)
LAND USE SERVICES - ADMINISTRATION	12.0	11.0	(1.0)
LAND USE SERVICES - CURRENT PLANNING	27.0	27.0	0.0
LAND USE SERVICES - ADVANCE PLANNING	19.0	19.0	0.0
LAND USE SERVICES - BUILDING AND SAFETY	57.2	62.2	5.0
LAND USE SERVICES - CODE ENFORCEMENT	31.0	30.0	(1.0)
LAND USE SERVICES - FIRE HAZARD ABATEMENT	21.0	21.0	0.0
PUBLIC WORKS - REGIONAL PARKS	117.1	117.1	0.0
PUBLIC WORKS - SURVEYOR	39.3	39.4	0.1
REGISTRAR OF VOTERS	38.6	42.9	4.3
SPECIAL DISTRICTS - FRANCHISE ADMINISTRATION	3.0	3.0	0.0
SUBTOTAL GENERAL FUND	571.0	541.5	(29.5)

BUDGETED STAFFING SUMMARY

Department	2002-03 Final Budget	2003-04 Departmental Proposed	Change
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP (continued)			
<u>OTHER FUNDS</u>			
COUNTY LIBRARY	212.0	210.2	(1.8)
COUNTY MUSEUM STORE	2.3	2.1	(0.2)
ECONOMIC AND COMMUNITY DEVELOPMENT	61.0	61.0	0.0
JOBS AND EMPLOYMENT SERVICES	133.0	141.0	8.0
LAND USE SERVICES - HABITAT CONSERVATION	1.0	0.0	(1.0)
PUBLIC WORKS - CALICO GHOST TOWN MARKETING SVCS	1.0	1.0	0.0
PUBLIC WORKS - COUNTY TRAIL SYSTEM	4.0	4.0	0.0
PUBLIC WORKS - REGIONAL PARKS SNACK BARS	1.0	1.3	0.3
PUBLIC WORKS - ROAD OPERATIONS CONSOLIDATED	364.9	357.7	(7.2)
PUBLIC WORKS - SOLID WASTE MANAGEMENT	62.3	74.4	12.1
SUBTOTAL OTHER FUNDS	842.5	852.7	10.2
TOTAL ECON DEVELOP/PUBLIC SERVICES GROUP	1,413.5	1,394.2	(19.3)
FISCAL GROUP			
<u>GENERAL FUND</u>			
ASSESSOR	165.8	159.9	(5.9)
AUDITOR/CONTROLLER-RECORDER	189.9	193.1	3.2
TREASURER-TAX COLLECTOR	66.5	66.5	0.0
TREASURER-TAX COLLECTOR - CENTRAL COLLECTIONS	93.9	94.5	0.6
SUBTOTAL GENERAL FUND	516.1	514.0	(2.1)
<u>OTHER FUNDS</u>			
AUDITOR/CONTROLLER - RECORDS MANAGEMENT	2.0	2.0	0.0
STATE/COUNTY PROPERTY TAX ADMINISTRATION	30.0	29.0	(1.0)
SUBTOTAL OTHER FUNDS	32.0	31.0	(1.0)
TOTAL FISCAL GROUP	548.1	545.0	(3.1)

BUDGETED STAFFING SUMMARY

Department	2002-03 Final Budget	2003-04 Departmental Proposed	Change
HUMAN SERVICES SYSTEM			
<u>GENERAL FUND</u>			
HSS ADMINISTRATIVE CLAIM	4,409.1	3,422.7	(986.4)
AGING AND ADULT SERVICES	111.9	101.1	(10.8)
BEHAVIORAL HEALTH	734.1	688.0	(46.1)
BEHAVIORAL HEALTH - ALCOHOL AND DRUG	100.9	91.5	(9.4)
CHILD SUPPORT SERVICES	649.7	565.0	(84.7)
HEALTH CARE COSTS	4.0	4.0	0.0
PUBLIC HEALTH	1,100.3	920.8	(179.5)
PUBLIC HEALTH - CALIFORNIA CHILDREN'S SERVICES	154.3	145.0	(9.3)
VETERANS AFFAIRS	19.0	17.0	(2.0)
SUBTOTAL GENERAL FUND	7,283.3	5,955.1	(1,328.2)
<u>OTHER FUNDS</u>			
ARROWHEAD REGIONAL MEDICAL CENTER	2,290.3	2,330.5	40.2
PRESCHOOL SERVICES	653.7	577.1	(76.6)
SUBTOTAL OTHER FUNDS	2,944.0	2,907.6	(36.4)
TOTAL HUMAN SERVICES SYSTEM	10,227.3	8,862.7	(1,364.6)
INTERNAL SERVICES GROUP			
<u>GENERAL FUND</u>			
ARCHITECTURE AND ENGINEERING	25.0	25.0	0.0
FACILITIES MANAGEMENT - ADMINISTRATION	4.0	4.0	0.0
FACILITIES MANAGEMENT - CUSTODIAL	63.0	54.9	(8.1)
FACILITIES MANAGEMENT - GROUNDS	28.0	23.7	(4.3)
FACILITIES MANAGEMENT - HOME REPAIR	12.0	12.0	0.0
FACILITIES MANAGEMENT - MAINTENANCE	61.0	57.4	(3.6)
PURCHASING	19.1	18.0	(1.1)
REAL ESTATE SERVICES	28.0	26.0	(2.0)
SUBTOTAL GENERAL FUND	240.1	221.0	(19.1)
<u>OTHER FUNDS</u>			
FLEET MANAGEMENT - GARAGE AND WAREHOUSE	103.3	94.0	(9.3)
FLEET MANAGEMENT - MOTOR POOL	8.1	4.0	(4.1)
PURCHASING - CENTRAL STORES	15.0	15.0	0.0
PURCHASING - MAIL AND COURIER SERVICES	35.0	35.0	0.0
PURCHASING - PRINTING AND MICROFILM SERVICES	18.0	18.0	0.0
SUBTOTAL OTHER FUNDS	179.4	166.0	(13.4)
TOTAL INTERNAL SERVICES GROUP	419.5	387.0	(32.5)

BUDGETED STAFFING SUMMARY

Department	2002-03 Final Budget	2003-04 Departmental Proposed	Change
LAW AND JUSTICE GROUP			
GENERAL FUND			
COUNTY TRIAL COURTS - DRUG COURT PROGRAMS	0.0	0.0	0.0
COUNTY TRIAL COURTS - GRAND JURY	0.0	0.0	0.0
COUNTY TRIAL COURTS - INDIGENT DEFENSE	0.0	0.0	0.0
DISTRICT ATTORNEY - CRIMINAL	382.0	395.8	13.8
DISTRICT ATTORNEY - CHILD ABDUCTION	7.0	7.0	0.0
LAW AND JUSTICE GROUP ADMINISTRATION	1.0	1.0	0.0
PROBATION - ADMINISTRATION/COMM CORRECTIONS	482.0	473.6	(8.4)
PROBATION - DETENTION CORRECTIONS	654.0	638.0	(16.0)
PROBATION - PRE-TRIAL DETENTION	7.0	7.0	0.0
PROBATION - AB1913 GRANT	78.0	75.0	(3.0)
PUBLIC ADMIN/GUARDIAN/CONSERV/CORONER	78.5	75.1	(3.4)
PUBLIC DEFENDER	186.3	180.3	(6.0)
SHERIFF	2,879.5	2,858.7	(20.8)
SUBTOTAL GENERAL FUND	4,755.3	4,711.5	(43.8)
OTHER FUNDS			
DISTRICT ATTORNEY - SPECIAL REVENUE	32.0	33.0	1.0
SHERIFF - SPECIAL REVENUE	23.0	15.0	(8.0)
SUBTOTAL OTHER FUNDS	55.0	48.0	(7.0)
TOTAL LAW AND JUSTICE GROUP	4,810.3	4,759.5	(50.8)
TOTAL COUNTY DEPARTMENTS - GENERAL FUND	13,789.1	12,339.8	(1,449.3)
TOTAL COUNTY DEPARTMENTS - OTHER FUNDS	4,386.4	4,305.9	(80.5)
GRAND TOTAL COUNTY DEPARTMENTS	18,175.5	16,645.7	(1,529.8)

RESERVES ANALYSIS

The county has a number of reserves and designations that have been established over the years for a variety of purposes. On January 6, 1998, the Board of Supervisors adopted a county policy to provide guidelines and goals for reserve levels. That policy calls for the county's general purpose reserves to equal 10% of locally funded appropriations by 2002-03. It also anticipates establishing special purpose reserves to help meet future needs.

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Total General Purpose Reserve	25.2	27.4	27.4	30.2	31.9	34.8
Specific Purpose Reserves						
Medical Center debt service	11.5	34.3	32.0	32.0	32.1	32.1
Justice facilities reserve	3.6	11.7	5.2	5.0	5.0	4.0
Juvenile maximum security reserve	0.6	1.2	1.5	1.5	1.5	1.5
Future retirement rate increase reserve		1.5	1.5	1.5	7.0	7.0
Equity Pool					1.9	4.7
Teeter				19.3	19.3	19.3
Restitution				8.9	8.5	8.5 *
Insurance					5.0	5.0
Electronic Voting System					5.7	5.7 **
Valley and Pepper Intersection					6.0	6.0 **
Capital Projects Reserve					4.0	4.0
Bark Beetle					0.2	0.2 **
Total Specific Purpose Reserves	15.7	48.7	40.2	68.2	96.2	98.0
Total Reserves	40.9	76.1	67.6	98.4	128.1	132.8

* The majority of this reserve was funded from the settlement with NORCAL. The Solid Waste Management Division plans to come to the Board to recommend the use of the NORCAL settlement monies for costs of the perchlorate issue.

** It is anticipated that projects requiring the use of these funds will be recommended to the Board prior to June 30, 2004.

The County has several reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the County from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the County.

For 2002-03 mid-year Board actions authorized the use of \$122,856 of the equity pool reserve to fund equity increases for employees in the District Attorney, Public Defender and Assessor departments.

On December 17, 2002 the Board authorized the use of contingencies in the amount of \$26.7 million to increase one existing reserve and to establish five new specific purpose reserves.

- \$5.5 million was set aside to help fund the projected \$14 million increase in locally funded retirement costs for 2003-04. Ultimately, these increases were funded by ongoing sources of revenue in the 2003-04 financing plan. The \$5.5 million increase brings the total retirement designation to \$7.0 million which remains available for future anticipated increases in retirement costs.
- \$5.0 million was used to establish an Insurance reserve. The purpose of this reserve is to provide funding for the new five-year insurance recovery plan developed to manage increased costs of workers compensation and property insurance.
- \$5.7 million was used to establish an Electronic Voting System Reserve. The State has mandated that the county change from a punch card to electronic voting system by January of 2004. This reserve sets aside the projected general fund share of this new voting system.
- \$6.0 million was used to establish the Valley and Pepper Intersection reserve. The county has a requirement to improve this intersection, located near the Arrowhead Regional Medical Center (ARMC), as a result of the Environmental Impact Report approved by the Board before construction of the ARMC began.
- \$4.0 million was used to establish the Capital Projects reserve. This reserve was established to address the backlog of deferred maintenance projects as well as other capital project needs.
- \$0.5 million was used to establish the Bark Beetle reserve to help address the bark beetle infestation in the local mountains. On April 8, 2003, the Board approved the use of \$300,000 of this reserve; \$100,000 to provide financial assistance for tree removal to low-income individuals and \$200,000 to conduct a feasibility study and survey for a Special Assessment or Special Tax District in the San Bernardino Mountains.

For 2003-04, general-purpose reserves are increased \$2.9 million. The equity pool, which funds the costs and results of employee classifications studies, is increased by \$3.0 million. Uses of \$160,949 of the Equity Pool reserve are planned to fund the 2003-04 costs of equity increases for employees in the District Attorney, Public Defender and Assessor departments approved by the Board in 2002-03. A planned use of \$1.0 million of the Justice Facilities reserve will be used to offset a portion of the first year cost of the recently approved safety MOU.

LOCAL COST ANALYSIS

County general fund operations are financed with two major types of funding: departmental program revenues; and countywide unallocated revenues, reserves, and fund balance.

Departmental program revenues include fees, service charges, and state and federal support for programs such as welfare, health care, child support and behavioral health. The balance of departmental costs not funded by these departmental revenue sources is considered local cost. Local cost is funded by countywide, non-allocated revenues such as property tax and vehicle license fees as well as other financing such as use of reserves, fund balance and operating transfers.

Gross local cost financing for 2003-04 is \$424,536,785. Shown below are the sources of local cost financing:

**COUNTYWIDE REVENUES AND OTHER FINANCING
WHICH PAY FOR GENERAL FUND LOCAL COST**

	Final Budget 2002-03	Estimated 2002-03	Departmental Proposed 2003-04
Net Non-Departmental Revenue			
Property Taxes:			
Current Secured, Unsecured, Unitary	118,485,250	120,853,301	125,905,507
Supplementals	2,316,700	4,389,240	4,885,025
Penalty on Current Taxes	1,036,200	1,113,332	1,135,599
Prior Property Taxes, Penalties and Interest	<u>3,722,170</u>	<u>4,566,233</u>	<u>5,366,233</u>
Total Property Taxes	125,560,320	130,922,106	137,292,364
Vehicle License Fees	115,154,588	119,176,636	124,974,967
Sales Tax	14,400,000	15,177,152	16,518,694
Other Taxes	12,086,450	13,734,895	14,910,372
Net Interest Earnings	17,100,000	16,400,000	14,600,000
COWCAP Revenue	17,500,000	17,282,235	20,847,838
Property Tax Admin Revenue	7,995,750	9,395,173	9,395,173
Booking Fee Revenue	3,937,000	3,937,000	3,937,000
Other State and Federal Aid	3,199,000	3,329,275	3,329,275
Other Revenue	<u>2,430,000</u>	<u>3,200,000</u>	<u>2,430,000</u>
Subtotal	319,363,108	332,554,472	348,235,683
Other Financing			
Fund balance, beginning	57,668,914	57,668,914	40,400,000
Use of Reserves	900,000	870,470	1,160,949
Operating Transfers	<u>27,888,005</u>	<u>27,888,005</u>	<u>34,740,153</u>
Subtotal	86,456,919	86,427,389	76,301,102
TOTAL	405,820,027	418,981,861	424,536,785

The most significant sources of county local cost financing are property tax and vehicle license fees. These two sources account for \$262,267,331 or 75.3% of discretionary revenues. Year-end fund balance available for financing is estimated to be \$40.4 million. Operating transfers includes transfers into the county general fund from the Courthouse and Criminal Justice Construction funds, Solid Waste Management, savings from refinancing and capital improvement projects, and the use of \$17.7 million of the tobacco settlement funds, of which \$15.0 million is to be applied towards Medical Center Debt Service.

Countywide revenues are allocated to various county departments as local cost as outlined in the following chart:

Department Title	Final Budget 2002-03:			Departmental Proposed Budget 2003-04:			Change Between Final and Proposed:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
BOARD OF SUPERVISORS (ALL DISTRICTS)	4,237,112	0	4,237,112	3,812,528	0	3,812,528	(424,584)	0	(424,584)
LEGISLATIVE COSTS	0	0	0	474,914	0	474,914	474,914	0	474,914
CLERK OF THE BOARD	931,793	95,675	836,118	831,849	62,500	769,349	(99,944)	(33,175)	(66,769)
COUNTY ADMINISTRATIVE OFFICE	4,452,965	275,987	4,176,978	3,498,747	0	3,498,747	(954,218)	(275,987)	(678,231)
COUNTY ADMINISTRATIVE OFFICE - LITIGATION	1,709,664	900,000	809,664	400,000	0	400,000	(1,309,664)	(900,000)	(409,664)
COUNTY ADMINISTRATIVE OFFICE - JOINT POWERS LEASES	23,068,480	0	23,068,480	20,467,787	0	20,467,787	(2,600,693)	0	(2,600,693)
COUNTY COUNSEL	6,959,841	3,696,950	3,262,891	7,102,029	3,777,460	3,324,569	142,188	80,510	61,678
HUMAN RESOURCES	9,457,530	4,283,077	5,174,453	8,460,832	3,103,566	5,357,266	(996,698)	(1,179,511)	182,813
HUMAN RESOURCES-EMPLOYEE HEALTH AND WELLNESS	1,600,000	1,600,000	0	30,000	30,000	0	(1,570,000)	(1,570,000)	0
HUMAN RESOURCES-UNEMPLOYMENT INSURANCE	1,500,000	0	1,500,000	2,700,000	0	2,700,000	1,200,000	0	1,200,000
INFORMATION SERVICES-EMERGING TECHNOLOGY	1,792,210	273,940	1,518,270	1,755,861	274,900	1,480,961	(36,349)	960	(37,309)
INFORMATION SERVICES-SYSTEMS DEVELOPMENT	11,722,743	6,431,886	5,290,857	10,208,475	4,480,501	5,727,974	(1,514,268)	(1,951,385)	437,117
LOCAL AGENCY FORMATION COMMISSION	161,353	0	161,353	173,400	0	173,400	12,047	0	12,047
SCHOOL CLAIMS	1,186,804	0	1,186,804	2,850,040	0	2,850,040	1,663,236	0	1,663,236
SUPERINTENDENT OF SCHOOLS	282,224	0	282,224	0	0	0	0	0	0
ADMINISTRATIVE/EXECUTIVE GROUP SUBTOTAL:	69,062,719	17,557,515	51,505,204	62,766,462	11,728,927	51,037,535	(6,014,033)	(5,828,588)	(185,445)
ASSESSOR	10,704,022	359,195	10,344,827	10,982,428	359,195	10,623,233	278,406	0	278,406
AUDITOR-CONTROLLER	12,610,406	8,721,209	3,889,197	13,035,166	9,926,103	3,109,063	424,760	1,204,894	(780,134)
CENTRAL COLLECTIONS	6,894,549	6,894,549	0	7,986,256	7,986,256	0	1,091,707	1,091,707	0
TREASURER-TAX COLLECTOR	6,273,423	4,160,138	2,113,285	6,780,201	5,110,135	1,670,066	506,778	949,997	(443,219)
FISCAL GROUP SUBTOTAL:	36,482,400	20,135,091	16,347,309	38,784,051	23,381,689	15,402,362	2,301,651	3,246,598	(944,947)
ARCHITECTURE AND ENGINEERING	645,063	5,000	640,063	634,174	0	634,174	(10,889)	(5,000)	(5,889)
FACILITIES MANAGEMENT DEPARTMENT	12,822,532	6,190,560	6,631,972	12,428,940	5,645,888	6,783,052	(393,592)	(544,672)	151,080
REAL ESTATE SERVICES	2,263,523	1,546,921	716,602	2,264,196	1,573,500	690,696	673	26,579	(25,906)
RENTS	1,053,739	341,241	712,498	571,138	323,000	248,138	(482,601)	(18,241)	(464,360)
UTILITIES	14,503,536	0	14,503,536	15,730,303	0	15,730,303	1,226,767	0	1,226,767
PURCHASING	1,140,594	5,000	1,135,594	1,112,209	10,000	1,102,209	(28,385)	5,000	(33,385)
INTERNAL SERVICES GROUP SUBTOTAL:	32,428,987	8,088,722	24,340,265	32,740,960	7,552,388	25,188,572	311,973	(536,334)	848,307
COUNTY TRIAL COURTS-MAINTENANCE OF EFFORT	31,828,295	21,697,281	10,131,014	34,090,295	23,721,081	10,369,214	2,262,000	2,023,800	238,200
COUNTY TRIAL COURTS-JUDICIAL BENEFITS/FACILITIES COST	1,806,975	0	1,806,975	1,873,598	0	1,873,598	66,623	0	66,623
COUNTY TRIAL COURTS-DRUG COURT	50,320	50,320	0	358,096	358,096	0	307,776	307,776	0
DISTRICT ATTORNEY-CRIMINAL	31,888,034	21,979,480	9,908,554	36,907,410	21,148,905	15,758,505	5,019,376	(830,575)	5,849,951
DISTRICT ATTORNEY-CHILD ABDUCT	741,042	741,042	0	773,000	0	773,000	31,958	(741,042)	773,000
GRAND JURY	301,148	0	301,148	201,460	0	201,460	(99,688)	0	(99,688)
LAW & JUSTICE ADMINISTRATION	114,080	49,000	65,080	115,587	49,000	66,587	1,507	0	1,507
PROBATION-INSTITUTIONS	39,825,733	17,994,623	21,831,110	43,546,689	16,223,754	27,322,935	3,720,956	(1,770,869)	5,491,825
PROBATION-PRETRIAL DETENTION	480,982	0	480,982	512,610	0	512,610	31,628	0	31,628
PROBATION-COURT ORDERED PLACEMENTS	8,329,483	0	8,329,483	7,382,883	0	7,382,883	(946,600)	0	(946,600)
PROBATION-CMJJP GRANT	317,384	317,384	0	260,781	260,781	0	(56,603)	(56,603)	0
PROBATION-ADMIN/COMM CORRECTIONS	30,833,153	20,273,167	10,559,986	34,872,731	21,149,322	13,723,409	4,039,578	876,155	3,163,423
PUB ADMIN/PUB GUARDIAN/CONSERVATOR/CORONER	4,755,894	614,000	4,141,894	5,345,789	1,039,936	4,305,853	589,895	425,936	163,959
PUBLIC DEFENDER	17,745,871	1,142,272	16,603,599	19,718,736	500,000	19,218,736	1,972,865	(642,272)	2,615,137
SHERIFF	244,244,638	159,288,512	84,956,126	256,705,621	170,704,153	86,001,468	12,460,983	11,415,641	1,045,342
COUNTY TRIAL COURTS- INDIGENT DEFENSE	9,615,047	0	9,615,047	9,219,969	0	9,219,969	(395,078)	0	(395,078)
LAW AND JUSTICE GROUP SUBTOTAL:	422,878,079	244,147,081	178,730,998	451,885,255	255,155,028	196,730,227	29,007,176	11,007,947	17,999,229

Department Title	Final Budget 2002-03:			Departmental Proposed Budget 2003-04:			Change Between Final and Proposed:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
AIRPORTS	2,518,785	2,461,028	57,757	2,461,753	2,422,940	38,813	(57,032)	(38,088)	(18,944)
AGRICULTURE, WEIGHTS AND MEASURES	5,256,794	3,638,090	1,618,704	5,115,736	3,353,445	1,762,291	(141,058)	(284,645)	143,587
ECD-ECONOMIC PROMOTION	926,263	68,000	858,263	780,751	0	780,751	(145,512)	(68,000)	(77,512)
ECD-SMALL BUSINESS DEVELOPMENT	228,956	40,000	188,956	200,107	40,000	160,107	(28,849)	0	(28,849)
FRANCHISE ADMINISTRATION	296,432	0	296,432	298,177	0	298,177	1,745	0	1,745
LAND USE SERVICES-BUILDING AND SAFETY	4,743,001	4,654,771	88,230	5,845,001	5,845,001	0	1,102,000	1,190,230	(88,230)
LAND USE SERVICES-CODE ENFORCEMENT	2,803,194	258,200	2,544,994	2,960,413	408,200	2,552,213	157,219	150,000	7,219
LAND USE SERVICES-WEED ABATEMENT	1,872,613	1,872,613	0	1,951,692	1,951,692	0	79,079	79,079	0
LAND USE SERVICES - CURRENT PLANNING	2,150,272	2,150,272	0	2,292,380	2,292,380	0	142,108	142,108	0
LAND USE SERVICES-ADVANCED PLANNING	3,665,734	1,979,710	1,686,024	3,445,459	2,142,113	1,303,346	(220,275)	162,403	(382,678)
MUSEUMS	4,540,213	3,145,487	1,394,726	3,711,941	2,099,089	1,612,852	(828,272)	(1,046,398)	218,126
REGISTRAR OF VOTERS	3,393,942	673,500	2,720,442	4,484,686	1,744,134	2,740,552	1,090,744	1,070,634	20,110
PUBLIC WORKS-REGIONAL PARKS	6,407,943	5,760,448	647,495	6,758,286	5,803,925	954,361	350,343	43,477	306,866
PUBLIC WORKS-SURVEYOR	2,958,835	2,958,835	0	3,310,588	3,310,588	0	351,753	351,753	0
ECON. DEV/PUBLIC SERVICES GROUP ADMINISTRATION	98,000	0	98,000	65,856	0	65,856	(32,144)	0	(32,144)
ECON DEVELOP/PUBLIC SERVICES SUBTOTAL:	41,860,977	29,660,954	12,200,023	43,682,826	31,413,507	12,269,319	1,821,849	1,752,553	69,296
AID TO INDIGENTS	1,614,343	269,772	1,344,571	1,275,123	330,986	944,137	(339,220)	61,214	(400,434)
ADMINISTRATIVE CLAIM	331,489,425	319,725,182	11,764,243	297,664,713	286,197,963	11,466,750	(33,824,712)	(33,527,219)	(297,493)
AMBULANCE REIMBURSEMENTS	472,501	0	472,501	472,501	0	472,501	0	0	0
BEHAVIORAL HEALTH	113,215,605	111,372,852	1,842,753	121,398,270	119,555,517	1,842,753	8,182,665	8,182,665	0
BEHAVIORAL HEALTH-OADP	24,784,682	24,577,582	207,100	20,063,339	19,913,881	149,458	(4,721,343)	(4,663,701)	(57,642)
CALIFORNIA CHILDREN'S SERVICES	10,716,023	9,177,982	1,538,041	10,723,433	9,185,392	1,538,041	7,410	7,410	0
HEALTH CARE COSTS	135,600,146	117,900,146	17,700,000	135,628,083	120,628,083	15,000,000	27,937	2,727,937	(2,700,000)
PUBLIC HEALTH	73,675,031	73,020,711	654,320	73,360,369	72,715,647	644,722	(314,662)	(305,064)	(9,598)
VETERAN'S AFFAIRS	1,108,218	264,000	844,218	1,130,068	257,018	873,050	21,850	(6,982)	28,832
DEPT OF CHILD SUPPORT	40,798,946	40,798,946	0	39,889,326	39,889,326	0	(909,620)	(909,620)	0
AGING AND ADULT SERVICES	8,874,173	7,900,036	974,137	8,147,202	8,147,202	0	(726,971)	247,166	(974,137)
CALWORKS-FAMILY GROUP	213,396,272	208,761,366	4,634,906	196,553,943	192,123,884	4,430,059	(16,842,329)	(16,637,482)	(204,847)
KIN-GAP PROGRAM	2,709,753	2,334,426	375,327	3,351,569	2,795,803	555,766	641,816	461,377	180,439
AFDC-FOSTER CARE	91,761,451	78,257,382	13,504,069	97,635,819	83,857,781	13,778,038	5,874,368	5,600,399	273,969
CALWORKS-2 PARENT FAMILIES	24,044,059	23,477,958	566,101	18,846,462	18,408,416	438,046	(5,197,597)	(5,069,542)	(128,055)
AID FOR SERIOUSLY EMOTIONALLY DISTURBED	2,365,658	1,734,312	631,346	3,345,010	2,613,701	731,309	979,352	879,389	99,963
AID TO ADOPTIVE CHILDREN	14,103,489	13,176,268	927,221	17,152,146	15,946,603	1,205,543	3,048,657	2,770,335	278,322
CHILD ABUSE /DOMESTIC VIOLENCE	1,432,136	1,432,136	0	1,380,611	1,380,611	0	(51,525)	(51,525)	0
CASH ASSISTANCE - IMMIGRANTS	1,053,030	1,053,030	0	1,053,030	1,053,030	0	0	0	0
CHILDREN'S OUT OF HOME CARE	437,521	0	437,521	338,164	0	338,164	(99,357)	0	(99,357)
ENTITLEMENT PAYMENTS (CHILD CARE)	68,504,316	68,504,316	0	93,919,917	93,919,917	0	25,415,601	25,415,601	0
REFUGEE CASH ASSISTANCE	520,000	520,000	0	520,000	520,000	0	0	0	0
HUMAN SERVICES SYSTEM SUBTOTAL:	1,162,676,778	1,104,258,403	58,418,375	1,143,849,098	1,089,440,761	54,408,337	(18,827,680)	(14,817,642)	(4,010,038)
SUBTOTAL:	1,765,389,940	1,423,847,766	341,542,174	1,773,708,652	1,418,672,300	355,036,352	8,600,936	(5,175,466)	13,776,402
CONTINGENCIES	48,516,783	0	48,516,783	55,698,444	0	55,698,444	7,181,661	0	7,181,661
RESERVE CONTRIBUTIONS	3,791,381	0	3,791,381	5,887,258	0	5,887,258	2,095,877	0	2,095,877
OPERATING TRANSFERS OUT	11,969,689	0	11,969,689	7,914,731	0	7,914,731	(4,054,958)	0	(4,054,958)
TOTAL ALLOCATED COSTS:	64,277,853	0	64,277,853	69,500,433	0	69,500,433	5,222,580	0	5,222,580
GRAND TOTAL:	1,829,667,793	1,423,847,766	405,820,027	1,843,209,085	1,418,672,300	424,536,785	13,823,516	(5,175,466)	18,998,982

The Board of Supervisors will hear presentations on the 2003-04 Proposed Budget on June 4 – 6, 2003. This budget covers the period from July 1, 2003 – June 30, 2004. Each department is responsible for operating within their budget and has the authority to spend up to the approved budget amount. The County of San Bernardino's 2003-04 Proposed Budget consisting of the general fund, special revenue funds, capital projects funds, and enterprise funds has a total appropriation of \$2.6 billion.

General Fund Budget Process

The County Administrative Office has the responsibility of developing the county financing plan for all general fund departments. The 2003-04 financing plan includes \$348.2 million in discretionary revenue. This revenue is comprised of property taxes, vehicle license fees, interest on the county investment pool, sales tax, and other taxes. Mandatory costs such as previously negotiated salary increases, previous year's Board approved costs, and other mandated costs are first financed by the discretionary revenue. After the mandatory costs are financed, the remaining unallocated discretionary revenue is presented to the Board of Supervisors for approval of distribution during the budget workshop. In 2003-04, the amount of unallocated discretionary revenue and other financing sources, including Tobacco Settlement proceeds, is \$59,136,684 (\$13.6 million ongoing and \$45.5 million one-time). This amount does not include any of the county's reserves.

A budget workshop will be held on June 4 – 6, 2003 to discuss each department's proposed budget. Each department submitted a proposed budget based on the general fund financing amount allocated to them and their own departmental revenues. Departments also requested funding for those workload and program changes that were unable to be financed in their proposed budget.

Any budgetary changes the Board of Supervisors approve at the budget workshop will be incorporated in the 2003-04 budget that will be presented to the Board during the Budget and Fee Hearing beginning June 23, 2003, at 1:30 in the Board Chambers.

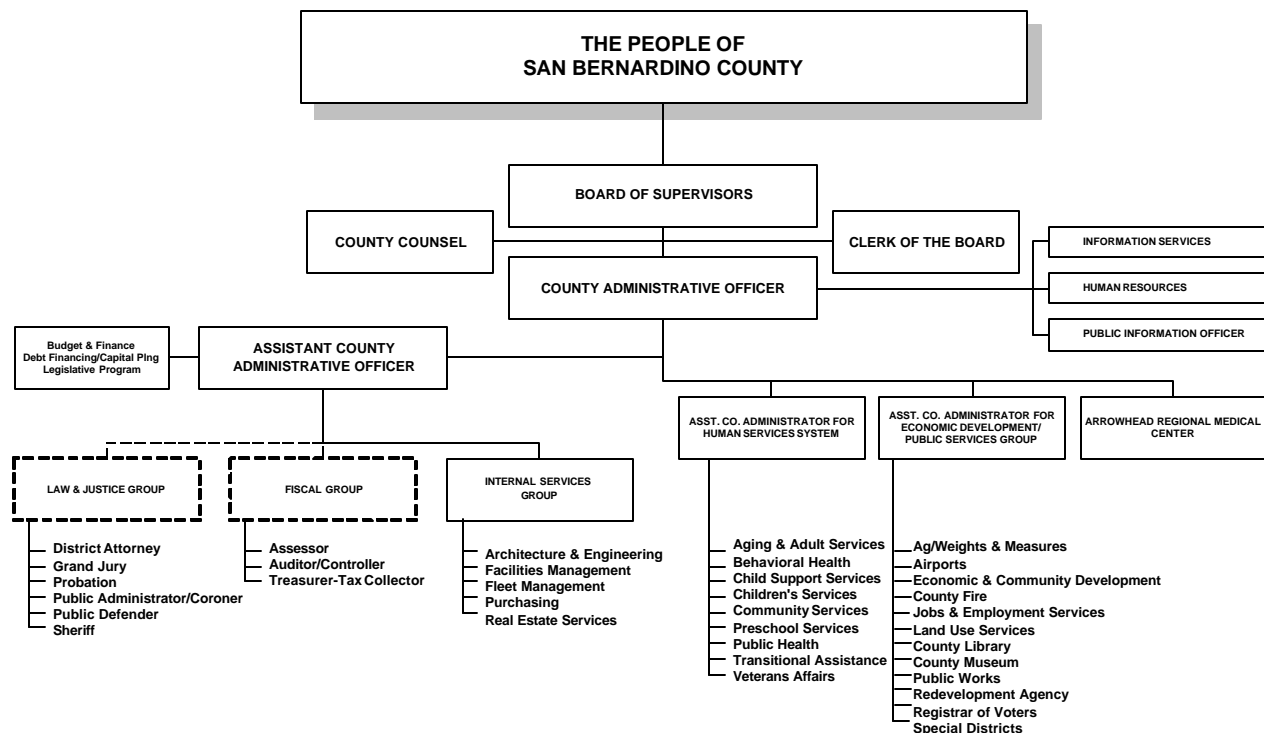
This hearing is to obtain public input on the county budget and fee ordinance changes and to obtain additional Board changes to incorporate into the 2003-04 final budget.

Other Funds Budget Process

In addition to the general fund, the County of San Bernardino has special revenue funds, capital project funds, internal service funds, and enterprise funds. All of these funds are restricted to the revenue sources they receive. Each department having these types of funds is responsible for developing its budget based on the revenue resources available to them. These resources include projected revenue to be collected in 2003-04 and any revenue not spent and carried forward from prior years (for example, fund balance for special revenue funds). These budgets will also be discussed during the budget workshop and Budget and Fee Hearing.

Proposed Budget Workbook Format

The County of San Bernardino's 2003-04 Proposed Budget is presented in this book based on the County Organizational Structure, which is depicted below. The Administrative/Executive Group is those departments that report directly to the Board of Supervisors or those departments that report directly to the County Administrative Office. This group performs functions related to the overall support of the county. A sample of the departmental budget format is shown on pages 3 – 7 of this Preface; the sample shows and explains how each budget unit is presented in the book. There is also a list of Proposed Budget Definitions on pages 8 – 11 of this Preface that define budget terms commonly used throughout the budget workbook.



Departments that have multiple budget units will have a summary at the front that lists the budget units and the department requested budgets for 2003-04 which they are responsible for.

OVERVIEW OF BUDGET

The department name and responsible administrator are listed at the top.

DEPARTMENT:
DEPARTMENT HEAD:

Budget #1
Budget #2
Budget #3
Total

2003-04				
Operating Exp/ Appropriation	Revenue	Local Cost	Rev Over(Under) Exp/ Fund Balance	Staffing
			-	
		-	-	
		-	-	
		-	-	

BUDGET UNIT: BUDGET UNIT NAME (FUND DEPT)

I. GENERAL PROGRAM STATEMENT

Section I is the General Program Statement, which provides a narrative describing the function and activity of the budget in question.

II. BUDGET & WORKLOAD HISTORY

Total Appropriation
Total Revenue
Local Cost
Budgeted Staffing

Workload Indicators

Workload Indicator #1
Workload Indicator #2

Actual
2001-02

Budget
2002-03

Estimated
2002-03

Department
Request
2003-04

Section II is the Budget & Workload History, which provides a historical overview of the budget unit, including prior year actuals, the current year adopted budget and year-end estimates, and the department requested budget for next fiscal year.

It also includes budget and actual information related to measurements of workload, called Workload

For those departments that have significant variances between budget and estimates in 2002-03, there will be an explanation of why this occurred. The 2002-03 Budget is the original budget adopted in late June and does not reflect any mid year changes approved by the Board during the fiscal year. In many cases, this is why there are variances between budget and estimates in 2002-03.

III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

PROGRAM CHANGES

OTHER CHANGES

IV. VACANT POSITION IMPACT

V. OTHER POLICY ITEMS

Section III highlights, in narrative form, some of the major changes that are detailed in the Recommended Program Funded Adjustments column in the Analysis of 2003-04 Budget. Not all departments will have information here, especially if the overall functioning and responsibilities of the department have not changed.

If there are important changes to highlight, they will be broken out into the categories of Staffing, Program, and/or Other Changes.

Section IV highlights the impact of vacant positions within the department. Vacant positions are separated by "Not in Recruitment" and "In Recruitment". Per Board direction, "Not in Recruitment" positions are slated for deletion in 2003-04. If departments submitted policy items to restore these positions, they are listed under "Vacant Position Restoration Request".

Section V highlights policy items not related to Vacant Position Restorations; these items refer to requests that are detailed in the following sections. Other Policy items are those workload and program changes that were unable to be financed and the department is requesting funding for.

Section VI highlights any proposed fee changes that are detailed in the following

VI. FEE CHANGES

GROUP:
DEPARTMENT:
FUND:

The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules prepared by the Auditor's Office.

FUNCTION:
ACTIVITY:

ANALYSIS OF 2003-04 BUDGET

	A	B	C	D	B+C+D E
	2002-03 Year-End Estimates	2002-03 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget
<u>Appropriations</u>					
Salaries and Benefits					
Services and Supplies					
Central Computer					
Other Charges					
Equipment					
Transfers					
Total Exp Authority					
Reimbursements					
Total Appropriation					
<u>Revenue</u>					
Use of Money & Prop					
Taxes					
Current Services					
State, Fed or Gov't Aid					
Other Revenue					
Other Financing Sources					
Total Revenue					
Local Cost					
Budgeted Staffing					

This section provides a summary overview of how the budget is formed starting with current year adopted budget and how the budget incrementally progresses with other Board approved changes.

2002-03 Year-End Estimates are included for informational purposes. From left to right following the 2002-03 Year-End Estimates are: 2002-03 Final Budget; the Board approved Base Year Adjustments which include non-discretionary budget changes, such as changes due to legal requirements or salary negotiations; and Mid-Year Adjustments which include Board approved changes to the base budget. These are totaled in the Board Approved Base Budget column.

The next section continues this budget analysis starting with the Board Approved Base Budget.

The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules prepared by the Auditor's Office.

GROUP:
DEPARTMENT:
FUND:

FUNCTION:
ACTIVITY:

ANALYSIS OF 2003-04 BUDGET

E	F	E+F G	H	G+H I	J	I+J K
Board Approved Base Budget	Recommended Program Funded Adjustments	2003-04 Department Request	Vacant Position Impact	2003-04 Proposed Budget (Adjusted)	Recommended Vacant Restoration	2003-04 Recommended Budget

Appropriation

Salaries and Benefits
Services and Supplies
Central Computer
Other Charges
Equipment
Transfers

Total Exp Authority
Reimbursements

Total Appropriation

Revenue

Use of Money & Prop
Taxes
Current Services
State, Fed or Gov't Aid
Other Revenue
Other Financing Sources

Total Revenue

Local Cost

Budgeted Staffing

This section is a continuance of the Board Approved Base Budget from the previous section. It continues the summary overview of how the budget incrementally progresses to include Recommended Program Funded Adjustments, exclusion of vacant positions, and restoration of vacant positions that have been recommended by the CAO.

Recommended Program Funded Adjustments represent changes requested by the department and recommended by the CAO that fall within the overall budget financing given to a department. This could consist of a reallocation of resources from one category to another within a departmental budget or an increase in expenditure authority based on new program revenue.

The 2003-04 Department Request column is a combination of the Board Approved Base Budget and Recommended Program Funded Adjustments columns.

The Vacant Position Impact column represents exclusion of vacant budgeted positions as directed by the Board on April 8, 2003.

The 2003-04 Proposed Budget (Adjusted) column reflects the 2003-04 Department Request less the Vacant Position Impact.

The Recommended Vacant Restoration column represents CAO recommendation of vacant positions to be restored back into the 2003-04 budget.

The 2003-04 Recommended Budget column represents the CAO suggested 2003-04 budget based on the necessity of keeping some vacant positions in the budget and is a combination of the 2003-04 Proposed Budget (Adjusted) and the Recommended Vacant Restoration columns.

Base Year Adjustments

Salaries and Benefits	
Services and Supplies	
Central Computer	
Base Year Appropriation	-
Base Year Revenue	-
Base Year Local Cost	-

This section shows detail of changes that are non-discretionary such as negotiated salary increases, retirement cost increases, etc.

Mid-Year Adjustments

Mid-Year Appropriation	-
Mid-Year Revenue	-
Mid-Year Local Cost	-

This section shows detail of Board approved mid-year adjustments to last year's adopted budget.

Recommended Program Funded Adjustments

Salaries and Benefits	-
Service and Supplies	-
General Computer	-
Equipment	-
Transfers	-
Total Exp Authority	-
Reimbursements	-
Total Appropriation	-
Total Revenue	-
Local Cost	-

This section shows detail of department requests and CAO recommended changes to the base budget that fall within a department's overall budget financing.

Vacant Position Impact Summary

	Authorized	Budgeted Staffing	Salary and Benefit Amount	Revenue	Local Cost
Vacant Budgeted Not In Recruitment - Delete	<p>This section represents a summary of vacant budgeted positions that are being recommended for retention or deletion from the 2003-04 budget with the detail provided below.</p> <p>The Vacant Budgeted Not in Recruitment row ties to Column H in the Analysis of 2003-04 Budget.</p> <p>The Recommended Restoration of Vacant Deleted row ties to Column J in the Analysis of 2003-04 Budget.</p>				
Vacant Budgeted In Recruitment - Retain					
Total Vacant					
Recommended Restoration of Vacant Deleted					

Vacant Position Impact Detail

	Position Number	Budgeted Staffing	Salary and Benefit Amount	Revenue	Local Cost
--	-----------------	-------------------	---------------------------	---------	------------

Note: If position is seasonal indicate next to Classification (Seasonal - May through August)

Vacant Budgeted Not In Recruitment

Subtotal Recommended - Delete	<p>This section shows detail of each vacant budgeted position not in recruitment and those currently in recruitment and related recommendations to be deleted or retained. Each position also reflects revenue support and/or local cost impact.</p>				
Subtotal Recommended - Retain					
Total Slated for Deletion					
Vacant Budgeted In Recruitment - Retain					
Total in Recruitment Retain					

NOTE: If applicable, the vacant position will be bolded if included in the 30% Cost Reduction Plan not yet implemented.
If applicable, the seasonal vacant position that is currently not filled will indicate which months they are needed.

PROPOSED BUDGET DEFINITIONS

4% Spend Down Plan: This year's budget includes a 4% Spend Down Plan that was approved by the Board on December 10, 2002. Approved reductions are shown under Base Year Adjustments.

30% Cost Reduction Plan. The 30% Cost Reduction Plan, approved by the Board on January 28, 2003, details cost saving measures for discretionary income. The cost saving measures that have been implemented are detailed under Base Year Adjustments.

Activity – A component within a fund; usually a specific line of work performed to accomplish a function for which a governmental unit is responsible.

Appropriation: An authorization granted by a legislative body to make expenditures and incur obligations for a specific purpose.

Base Year Adjustments: All non-discretionary budget changes that are factored into the base budget and approved by the Board with the County Administrative Office's financing plan; these include the cost of new mandates and negotiated salary increases.

Board Approved Base Budget: The Board Approved Base Budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Board of Supervisors in the prior years. It may include an adjustment for cost increases, but does not include changes in level of service over that authorized by the Board of Supervisors. This year's base budget represents the prior year approved budget plus mandated costs such as salary negotiations (MOU), retirement costs, risk management liabilities, and previous year's mid-year Board approved costs.

Budgeted Staffing: The number of equivalent positions funded in the budget unit.

Capital Project Funds: Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise and Internal Service Funds.

Central Computer: Central Computer expense category is set up specifically to allocate Information Services Department's computer charges to departments based on usage. These are countywide costs for computer infrastructure such as email, wide area network, payroll processing, and software/hardware staff support. Each department's Central Computer budget amount is estimated at the beginning of the fiscal year by the Information Services Department and is billed based on that estimate. Next year's budget (2004-05) will be adjusted based upon the actual usage in 2003-04.

Contingencies: An amount set aside within a budget for unforeseen expenditure requirements. Board action must be taken to spend contingency funds.

COWCAP: COWCAP is an acronym that stands for County Wide Cost Allocation Plan. It is the method by which indirect support costs for services such as Human Resources, Payroll, Purchasing, etc. are allocated to departments. It is prepared annually by the County Auditor/Controller-Recorder in accordance with the Office of Management and Budget, Budget Circular A-87, which is the guideline for state and federal reimbursements for indirect costs.

Department: An organizational device used by county management to group programs of a like nature.

Depreciation: The recording of expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.

Discretionary Revenue: Revenue not legally designated for a specific purpose or program that can be appropriated at the discretion of the Board of Supervisors.

Employee Health & Productivity Program (EHaP): A modified duty/return to work program that utilizes specialized nurses to obtain effective and timely treatment for injured or ill employees. Overall goals are to return the employee to the workplace as soon as possible and to increase the health and productivity of employees through health promotion and risk reduction programs.

Enterprise Funds: Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through operational revenues.

Fiscal Year: County accounting period which runs from July 1 through June 30.

Fixed Asset: An asset of a long-term character such as land, buildings, furniture, and other equipment costing \$5,000 or more.

Function: A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. This designation is specified by the State Controller. For example: "Public Protection" is the function of the Sheriff's Department.

Fund Balance: The excess of assets of a special revenue fund over its liabilities.

GASB 33: GASB 33 signifies Governmental Accounting Standards Board, Statement 33. Statement #33 establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. A nonexchange transaction is where a government gives or receives value without directly receiving or giving value in return. Some examples of nonexchange transactions are taxes, grants, fines, donations, and state and federal funding.

The main change is revenue must be recognized for the above transactions when the underlying exchange has occurred or when eligibility requirements are met. Therefore, money that is received under this criteria and is being put aside in trust funds must be recognized when received and trust funds that are not fiduciary in nature must be eliminated.

GASB 34: GASB 34 signifies Governmental Accounting Standards Board, Statement 34. Statement #34 establishes new requirements for the annual financial reports of state and local governments. The goal is to make annual reports easier to understand and more useful to people who use governmental financial information to make decisions.

There are many components of GASB 34, but as it relates to the budget, it is primarily composed of how services provided between county budget units are accounted for. GASB 34 specifies how payments for services should be accounted for, i.e. either as reimbursements or as revenues. While the net impact is zero, reclassifications between these two categories cause inconsistencies when comparing year-to-year budgets by specific expense or revenue categories. In situations where this impact is significant, the departments have included an explanation of the reclassification.

General Fund: The General Fund is used to account for resources traditionally associated with government which are not accounted for in a specific fund to satisfy legal requirements or financial management objectives.

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

Local Cost: Local cost is the amount contributed by the county general fund from its discretionary revenue sources to finance the activities of a department.

Memorandum of Understanding (MOU): For budget purposes, the MOU refers to an approved labor agreement between the county and an employee labor organization that details the salary, benefits, and other conditions of employment.

Mid-year Adjustments: Board approved changes to a department's budget after the adoption of the final budget.

Operating Transfers In/Out: A method of providing financing from one fund to another for the implementation of a project or program.

Other Charges: A category of accounts established for expenditures other than salaries and benefits, services and supplies, and fixed assets. Example: In Home Supportive Services.

Proposed Budget: The working document of the fiscal year under discussion. Approval of this document does not allow expenditures for fixed assets and for new permanent employee positions unless specifically approved by the Board of Supervisors.

Proposition 172: A permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be dedicated to public safety.

Public Service Employee (PSE): PSEs are employees assigned to entry-level positions in a variety of fields and occupations for a limited duration. They are not full-time, regular county employees. PSEs are subject to an expedited recruiting process to accommodate additional workload or to handle one-time special projects. They do not receive the full range of benefits or have the civil service status of regular county employees.

Realignment Funding (Health & Welfare): In 1991/92 the state approved the Health & Welfare Realignment Program which involves a shift of program responsibilities from the state to the counties. This shift is funded through corresponding shift of dedicated Sales Tax and Vehicle License Fee revenue.

Reimbursements: Amount received as a repayment of the cost of work or service performed, or of other expenditures made, for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure.

Revenue: The addition of cash or other current assets to governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees or investment earnings. Revenues are deposited in a fund for future appropriation.

SB 90 State-Mandated Local Program: State reimbursements to local governments for the cost of activities required by State legislative and executive acts.

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific sources that are legally restricted to expenditures for specific purposes.

Transfers: The movement of resources from one fund to another usually for payment of services received.